

HOW REGULATION RESPONDS TO GLOBALIZATION AND PRIVATIZATION OF HIGHER EDUCATION: THE STRUGGLE TO ESTABLISH A UNIVERSITY IN ISRAEL

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“Every new idea needs a group of priests who dedicate their lives to it and sacrifice themselves to preparing the ground for it” (Ehad Ha’am)

INTRODUCTION

The foundations of higher education in Israel were established in the 1920s, with the founding of the Hebrew University of Jerusalem in 1925, after numerous difficulties and opponents were overcome. Not only the pioneers of higher education were plagued by these difficulties; It appeared that they were an integral element in the history of every other institution that has since sought recognition as a university in Israel. Every institution that sought to penetrate the gates of the ivory tower has encountered fierce opposition and the perpetual argument that Israel needs no more universities. Surprisingly (or, perhaps, not so surprisingly), each time, the heads of the existing universities at the time stood in the first row of such opposition. Any attempt to establish a new university led them to make declarations about the dangers inherent in establishing yet another institution of higher education in Israel. Recently, on December 24, 2012, Israel’s eighth university, Ariel University, was declared. This was the first university established since the 1970s. This paper examines the nature of arguments (financial, political, academic, or other) against establishment of new universities in Israel and changes in these arguments over time and explores what an institution needs to be recognized as a university. To address these and other issues, we first review the regulatory approach of Israel’s higher education system and illustrate the traditional opposition against establishment of universities in Israel using the case of Ariel University. We conclude with an outline of a scenario for the establishment of Israel’s ninth university, and those after it.

Privatization and Regulation of Higher Education

The world has a developed tradition of private higher education institutions. Private higher education is a significant force in many countries. In the 1960s, regions such as Latin America and East Asia signaled the rising power of private higher education institutions. This trend has grown considerably stronger in the final quarter of the twentieth century, when the private sector became involved in a major share of higher education institutions almost worldwide (Altabach, 2007). In the United States, most prestigious universities are private institutions that accounted for the majority of higher education institutions throughout most of US history. By the end of the nineteenth century, approximately 80% of all students attended private institutions. Even today, many countries consider the US as a model of private higher education. If the US was the leader, West European countries, where 90% of all students attend public institutions, were the last to join this trend. In these countries, public education is the significant force in higher education (Altabach, 2007).

In contrast to the rest of the world, the power of private educational institutions in Israel increased only after 1995, following an amendment to the Academic Colleges Law, which permitted colleges to award academic degrees. Until then, higher education in Israel was

dominated by public institutions funded by the state budget. As a result, higher education in Israel developed in a unique pattern.

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

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

The most important feature of neo-liberalism is privatization that also applies to social services, and requires that new regulatory issues to be addressed. If regulation once constituted economic activities designed to protect the public, it has now become privatization of social services that were previously provided by the state. Neo-liberal ideology and its practical implications are sharply manifest at this junction. These implications require that we examine the regulatory methods in newly privatized fields.

However, after many years of complete confidence in pure market forces and the role of the "invisible hand" as the navigator of the economy and society, we are not witnessing the emergence of the "new regulatory state," a concept used to describe the new public policies of advanced states (King, 2007). The new regulatory state exists in expansive geographic regions such as the US, the UK, and other European countries and some authors have pointed to regulatory states within states that are not regulatory in nature (Moran, 2002). The regulatory state is an improved nation state that has abandoned bureaucratic policies and welfareism in favor of a different type of public supervision, one that operates on the principle of division between many areas of public policy. Such separation is created by barriers between those who make policy and those who execute it, by creating a formal distinction between consumers (the government) and suppliers (the market), and by establishing independent institutions that function as the government's long arm, designed to influence the market on the government's behalf, for the sake of public interest (King, 2007).

It has been argued that globalization is the basis of changes in higher education policy in many countries around the world (Menahem, Tamir, & Shavit, 2008). These changes, which transform knowledge into a type of "commodity" (Marginson, 2009), have increased competition and access, yet have also created an urgent need to ensure the quality of products, protect the status of education, and prevent an "inflation" of degrees through supervisory mechanisms such as the Council for Higher Education ("CHE") in Israel.

We address the history of higher education in Israel, focusing on the changes over time in regulatory mechanisms.

Regulation of Higher Education – Other National Models

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

At the policy level, governments must make determinations on two main issues: access and funding. The relationship between these two variables is relatively complicated. Extending access increases the number of students but imposes a greater economic burden on the government, forcing it to open the market to private institutions. As a result, access is increased and funding issues are resolved, yet differences in quality among the institutions are created. This is the situation in the United States, where private universities and public colleges exist alongside each other: While accessibility is great, there are genuine differences in quality between educational institutions and their products (Eckel, 2007).

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

Most countries in the West respond demands for greater access by opening the higher education market to competition (Kelchtermans & Verboven, 2008; Kim & Lee, 2003), and democratization and privatization develop concurrently to the imposition of government supervision (Beerkens, 2008; Douglass, 2007).

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

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

In the United States, for example, the regulatory model operates on several levels. Enrollment is on a national level, supervision is performed by the federal governments and by private accreditation institutions. Private accreditation is performed by professional and regional

entities that are funded by universities and include representatives from all institutions (Bernstein, 2002).

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

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

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

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

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

Regulation of Higher Education in Israel

Even before the State of Israel declared independence, higher education was an important priority for the leaders of the Jewish settlement in Israel. In the pre-state period, two of the country's leading higher education institutions were founded, the Technion (in 1925) and the Weizmann Institute (in 1934), as an expression of the significant role of education for the state in formation. "The State of Israel must set a goal for itself: to provide elementary, high school, and higher education to the entire younger generation without exception, whether his parents are rich or poor, come from Europe, Asia or Africa—this means providing academic education to every young girl and boy in Israel..." (Ben Gurion cited in Michaeli, 2008).

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

Government intervention in the academe was prevented by the enactment of The Council of Higher Education (CHE) Law in 1958, which put an end to the diverse proposals that sought to impose government supervision on higher education in Israel. The Law regulated the establishment of the Council of Higher Education, which was declared a "government institution for the matters of higher education in the State." Its role included accreditation, examination of curricula, and allocation of public government funds to all institutions of higher education.

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

The joint actions of the CHE and the Planning and Budgeting Committee created a public regulatory system that allowed the universities to operate independently, under supervision of state agencies. Universities benefited from self-supervision, while the CHE has supreme administrative responsibility for Israel's higher education system, and functioned as the academe's gatekeeper, exclusively limiting access to higher education, and affecting the structure of the market through the budgets allocated to each institution (Menahem et al.,

2008). This policy, also known as the “uniform policy regime” continued until the reform in the higher education system in the early 1990s.

The 1990s

Toward the end of the 1980s, several economic, social, political, and demographic changes in Israel led to a change in approach to all aspects of public services. The rising strength of the new right and neo-liberals call to allow market forces to redesign public services in general, and education in particular (Volansky,1994). This call was also made in the Knesset, which, in Resolution 3694 (1994), approved the expansion of several institutions that were accredited to award academic degrees. Operations of unbudgeted academic institutions as well as the establishment of extensions of foreign universities in Israel were also permitted (Bernstein, 2002). In 1995, Amendment No. 10 to the Council of Higher Education Law was enacted, determining that colleges would also be permitted to award academic degrees and would thus become part of the higher education system. According to the definitions in the law, a college is a “higher education institution that is not a university and is certified or has been given a certificate of permit to award a recognized degree to its graduates in one or more of its units” (Council of Higher Education Law, Amendment No.10, 1995).

These three legislative reforms created diversification, privatization, and internationalization of the higher education system (Menahem et al., 2008). Diversification was reflected in the increase of up to threefold in the number of public colleges eligible for government funding (although they were not eligible for funding for their research activities), compared to the 1980s. Privatization developed by permitting privately owned institutions to award academic degrees, as a result of which they were subordinate to the Council but not funded by it. Internationalization was reflected in the penetration of foreign universities into Israel and their certification to award academic degrees. Before 1998 (Amendment No. 11 of the Higher Education Law), these foreign extensions operated without any local supervision.

These resolutions drove the opening of public (funded) colleges and private (unfunded) colleges at an accelerated pace, as well as the opening of extensions of foreign universities. These decisions, made almost two decades ago, changed the face of higher education in Israel and symbolized a paradigmatic change in the regulatory policy that was typically implemented in Israel until that time, a change that led to the flourishing of higher education institutions and a significant increase in the number of students. By the end of the 1980s, undergraduates between the ages of 20 and 29 accounted for 8% of the population, while at the end of the 2004 school year, they accounted for 14%. In total, 150,000 undergraduates studied in higher education institutions in 2004 (excluding the Open University), and the number of students of colleges reached four fifths of the number of students of universities.

The growth in the number of students who attended higher education institutions was prominent in subjects that offered value in the job market. These changes were accelerated when the CHE approved the colleges to open research graduate programs (Zussman, Forman, Kaplan, & Romanov, 2009). In 2009, there were 245,000 students in Israel; 64% of them attended colleges (Central Bureau of Statistics, 2009),

Israel’s Higher Education Revolution – Globalization and Privatization

Higher education in Israel has been subject to considerable instability in recent years, which is reflected in an endless number of public committees (Kovarsky Committee 1991, Meltz Committee 1996, Vinograd Committee 2001, and Shohat Committee, 2006); and strikes by

senior faculty, junior faculty, and students, in turn (Zelikovitz, 2008). Like in China, in Israel there also exists tension between the government, the universities, and the private institutions, as a result of a lack of clear, uniform policy regarding market forces and government regulation. A conference of the heads of higher education in Israel expressed this issue: "While the heads of universities are interested in government funding, without which they would collapse, private colleges believe that the current crisis is an opportunity to develop a new model that will more extensively rely on independent resources. While universities are confident that the crisis will increase the demand for higher education, the colleges have reservations about such projections..." (Greenbaum, Amsterdamsky & Kurtz, 2009). These differences in worldviews are evidence of a lack of uniform policy in Israel, which wishes to join the globalization process on the one hand and increase access to higher education, yet continues to apply different policies to the different types of institutions.

An expression of its aspiration to embrace global market ideology is clearly evident in the conclusions of the Meltz Committee (2000), which determined that the principles and values of the global world should be realized, especially the principle of efficiency: "The Committee has decided that the structure and work patterns that characterize the universities do not allow efficient use of the physical resources available to them. The Committee recommends on a significance change in the universities' administrative and academic mode of operations" (Meltz Committee, 2000).

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

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

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

Market thinking not only sparked awareness of the clients' needs, but also penetrated into research: high-demand fields received larger research grants, while other fields either

disappeared or were significantly reduced. Teaching was also influenced by privatization and adjunct instructors were separated from senior faculty. This was once again results of adopting the market logic that called for the employment of less expensive instructors, which resulted in a reduced proportion of research activities being conducted in the academe. The Shohat Committee endorsed differential salary pay to instructors, and encouraged “differential remuneration” as a function of instructors’ achievements (Shohat, 2007).

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

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

On the other hand, college representatives argue that Israel’s higher education system must also connect to the economic and social developments and adapt to the spirit of the times. “It is only right that the governing institutions of Israel’s universities, whose principles were shaped in the pre-state period, should reorganize themselves and adapt to the needs of the contemporary and future academic world” without adversely affecting the academic faculty, which is intimidated by “the aggressive political culture that exists in various sectors of Israeli society and which might penetrate to the academic world” (Guri-Rozenblit, 2005).

It therefore appears that adoption of globalization and its implementation in the academia reflects an ideological worldview that dictates the accepted paradigmatic policy and regulatory approach. In my opinion the problem lies in the absence of a clear line defined by the regulator. This problem is manifest in the various voices that are heard. Prof. Neuman, President of the College of Administration has stated that “Universities are like banks,” and the CHE should operate similarly to the Councilor of Banks and Insurance: “It should determine the criteria that define what a university is, and any institution that meets these criteria will be called a university,” which is similar to the determination “Any company that meets the conditions of the Councilor of Banks is called a bank.” He also stated, “The current situation in our sector is like we were only to give existing banks a license and not grant a license to any new bank to operate” (Neuman, cited in Traubman, 2007, p. 1).

In contrast, his colleagues from the universities consider privatization as “the end of the academia” (Gur-Zeev, 2005). Others claim that “The academe is an anti-democratic

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

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

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

In practice, we are witnessing a paradigmatic change in the concept of education in Israel in general, and the concept of higher education in particular — from a system that embraced equality and access for all and a system that considers education as a social lever — to a system that endorses the interests of the individual and the principles of competition and capitalism. A conceptual change is in the making in the direction of privatization of the public education system. This change has not yet occurred, since there are interests that are pulling the system in different directions.

At this crossroads, several scenarios are possible. The first option is the policy of non-action, as research at universities diminishes and the number of students at colleges increases. In one or two decades we will attain high access and poor quality. That will be the result if the current trend continues the absence of a clear policy and structured, uniform regulation. The second option is to view education as a means to improve social and economic status and, in the long term, as an economic investment of public value. This view adopts both the principle of access and the principle of quality. Its realization is possible by adopting the principle of equality and opening the market to competition, for both universities and colleges, with equal funding, and, at the same time, by creating a mechanism of regulation and quality assurance that compels all academic institutions to meet high quality standards.

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

The need to adopt and apply a consistent, uniform policy on all academic institutions is now urgent. Such a policy should, at the end of the first decade of the twenty-first century, be

consistent with a changing competitive world yet retain quality and excellence in research. Achieving both these aims is possible by opening the market to genuine competition, such that treats all institutions equally, and allows market forces to navigate the ship of higher education and lead it to research excellence through competition. These should be conducted by a regulatory and supervisory system that audits, increases efficiencies, and improves the operations of higher education institutions – universities and colleges both. To achieve genuine equality and genuine access, we must ensure that all academic institutions meet the same standards of academic excellence.

Leveling the playing field in this manner can be achieved only one way – by applying quality assurance mechanism to the higher education system. In my opinion, contrary to the opinion that considers quality assurance a vague concept, it is possible to define and determine quality. Creating identical academic foundations, determining curricular requirements and assessing their quality, using similar exams in all institutions – these are only some of the options of quality assurance. The initial inclination of academics to recoil from QA-related concepts is not necessarily justified. This may be conceptual fixation that stems from years of activity in academic institutions operating under an “autonomy and self-regulation” model. It is possible that the time has come to bring education into the postmodern era, the era in which knowledge is not the possession of a few, an era of the IT revolution, an era in which knowledge is power and is in high demand. In such an era we have two options: to continue the current division and maintain competition at the expensive of collaboration between academic institutions, and experience a constant decline in the quality of higher education relative as the number of students increases. The second option is to accept the revolution that has occurred and try to make the best of it. In other words, to maintain academic institutions that are involved in the free market and are open to competition, but at the same time are required to meet the highest standards of quality assurance as a condition of their existence.

In summary, Israel’s higher education policy combines regulatory processes that have a series of laws and regulations that ensure a clear trend of supervision, regulation, and intervention and interference by the CHE as regulator, although the scope, the formation and the implementation of regulatory policy change over time and are reflected in determination and approval of the curricula developed by the institutions according to a five-year plan, and in the funding of institutions, and in the operation of assessment processes using performance measures in academic institutions. On the other hand, in recent years we have seen a clear penetration of self-evaluation, which requires academic institutions of all kinds to meet a series of measures and to cultivate assessment systems. In practice, however, self-evaluation procedures are implemented on behalf of, and under the supervision of, the CHE, although the tone and the design of the supervision have changed in recent years. Despite the CHE’s strong hand and observing eye, the higher education system has developed extensively and independently. In this manner we have what appears to be a dual policy: strong supervision and the operation of control systems by the CHE, on the one hand, and freedom of action and self-evaluation of the institutions, on the other.

We believe that this “double game” involving the regulator’s role will assume a different form as years go by and as developments come from the field – and it may be preferable to grant the academic institutions the freedom to develop assessment systems, determine

performance measures, and discover their own academic and managerial path within the general course outlined by the regulator.

External regulation is designed to ensure that the basic standards are maintained. If this role is left to the institutions, without any regulation – where will that leave us? Even in the US, which leads privatization of higher education, the higher education institutions are subject to external supervision, not by a federal agency but by regional agencies. In any case, supervision is indispensable, and prevails.

Tension in Higher Education System between Colleges and Universities

The foundations of higher education in Israel were established with the founding of the Technion (1924) and the Hebrew University (1925). When Israel became an independent state, these were the two sole institutions of higher education operating in the country. In response to population growth and socio-economic development that fueled the demand for higher education, five universities were established in the 1950s and 1960s: the Weizmann Institute of Science, Tel Aviv University, Bar Ilan University, Haifa University, and Ben Gurion University of the Negev. In the 1970s, Israel's higher education system diversified as it developed further: The Open University rapidly expanded nationwide and teacher training institutions initiated a process of academization.

In the 1990s, Israel passed the Council of Higher Education Law and Amendment No. 10 permitted the establishment of all types of colleges. The law was designed to ensure that academic degrees awarded by the colleges would not be inferior to university-awarded degrees.

In 2009, it was the position of the Budget & Planning Committee that the country's higher education system should be composed of two layers: universities, which would engage in research and award advanced degrees; and colleges, which would focus on undergraduate programs and would function as the means to achieve social equality and justice in higher education for students in the country's peripheral regions. Higher education policymakers' intention was to create a binary system with a division of labor between universities engaged in research, and colleges engaged in academic teaching to satisfy a social need. Nonetheless it became necessary to negotiate the different emphases in the goals of higher education institutions of all types, since they all effectively "opened their gates" and accepted students in large numbers. This change removed higher education's halo of prestige, which had served more as a means of social mobility and professional advancement outside the institutions than as a driver of research and scientific progress (Soen, 1999).

The general goals of higher education in Israel were influenced by three dominant approaches—the German, the British, and the American positions on higher education (Iram, 1978). They had considerable influence on the targets defined for the entire academic system, and the relative weights attributed to research, teaching, and public service activities. Paradoxically, despite the American influence on higher education policy in Israel, reflected in the establishment of the colleges and their fundamentally societal role (Israeli, 1997), the "research university" concept dictated the organizational structure of Israel's evolving higher education system (Iram, 1978). Only at a later stage did the teacher training function in academic institutions become an integral part of the system. In effect, as all higher education institutions proceeded along the path outlined by the first university, with different emphases

according to the time and place of each, the country's institutions differed in the relative weight each placed on the traditional roles of higher education, and not in the nature of their operations.

One possible explanation of the source of legitimacy of new higher education institutions can be found in Meyer and Rowan's (1977) institutional theory. According to this theory, educational institutions are sometimes required to symbolically adopt behaviors, policies, and roles in order to satisfy the expectations and needs of the environment that grants them legitimacy, support, and resources. The adoption of such policies may, however, create conflicts and inconsistency in the organization's efforts to achieve its goals (Meyer & Rowan, 1977). Therefore, we can say that the institutions' inclination to imitate the first universities primarily reflects symbolic assimilation of the roles that these institutions assumed for themselves.

The development of the colleges in the past decade was so rapid (Table 1) that over one half of all undergraduate students in the country attend a college (64% in 2012). In general, Israel's higher education system grew threefold since 1990 (305,000 students including the Open University in 2013), yet academic colleges grew over twenty times in the same period. As planned, the academic colleges constitute a dominant factor in creating access to higher education, although all types of higher education institutions grew in the last two decades, including teacher training colleges and the Open University.

Table 1. Students in Higher Education Institutions, by Degree Program for Selected Years (1990-2012)

Year	Undergraduate students				Students in advanced degree programs	Total
	Universities	Regional Colleges	Teacher Training Colleges	Academic Colleges		
1991	48,750	0	5,289	4,269	22,440	80,748
2001	66,716	7,374	19,646	37,325	40,245	171,306
2012	66,315	8,259	21,955	91,665	64,566	252,760
Increase in the period	36%	---	315%	2047%	187%	213%

*Source: Commission of Higher Education (not including the Open University)

In the first decade of the twenty-first century, we are witnesses to a call to action whose implication is the end to the universities' monopoly. After 40 years during which no new university was established in the country (although numerous colleges were established in

this period), the Academic College of Judea and Samaria became a University Center and finally received recognition as the Ariel University of Samaria.

Universities & colleges differ on four important features: (a) Universities offer advanced study programs for Master's and PhD degrees, while colleges allegedly focus only on undergraduate studies; (b) Universities promote extensive research activities; (c) Colleges usually focus on academic teaching in a limited number of disciplinary fields. Universities, in contrast, offer studies in a wide variety of faculties and fields; (d) Universities employ a large core of permanent teachers who spend most of their time in research and teaching, while a significant proportion of teaching in colleges is performed by external teachers whose work at the college supplements academic and other work elsewhere.

The demands of some colleges to become accredited as universities, and the potential of these demands to undermine the hegemony of existing universities, raises the question of whether a college can evolve into a university. Moreover, what, in fact, is a university? Some colleges claim that they are *de facto* universities: From their inception they combined teaching and research on the highest level, as most college heads and founding faculty members originated from universities. Academic institutions that combine teaching and research perform all the functions of a university, and thus, in practice, these college campuses feature a university-type environment.

Others argue that while there is no practical justification to object to the colleges' demands, current budgetary constraints do not allow such a transformation. Research budgets and human resources are limited and such a process would reduce available resources even further, with an increasing number of academic institutions competing for doctoral students, reduced budgets, and donations.

Colleges, however, claim that universities are using the budgetary excuse as one of many efforts to maintain their monopoly and prevent competition by other organizations. Their argument is highlighted by the fact that some colleges have neither requested nor received government funding, in order to maintain their autonomy.

Although the appeals of two additional colleges to the CHE (Council for Higher Education), requesting that they be recognized as "universities" or defined as research institutions, have been rejected, the CHE nonetheless decided to develop a definition of universities, a term not previously legally defined in Israel. At the instigation of the then Minister of Education, Limor Livnat, who also served as chairperson of the CHE, a decision was made to establish a committee charged with formulating procedures whereby colleges could become universities. Thus, even before a legal definition of universities was developed, a committee was established to determine the necessary procedures for accrediting new universities. All these steps were taken notwithstanding the CHE's decision that no new publicly-funded universities would be established, at least until 2008.

A review of the evolution of Israeli institutions of higher education shows that each new academic institution had its opponents. For example, in the case of Ben Gurion University, the Faculty of the Sciences in Jerusalem voiced its objection, claiming that "There are only few teachers..." and "How can we guarantee the proper standards?" (Hadari & Tal, 1979). Regional colleges underwent organizational processes as well and embraced national and international academic standards. The Israeli system of higher education is presently

experiencing a conflict of values. On the one hand, an amendment to the Higher Education Law determined the status of colleges as academic institutions and ruled that their degree is the official equivalent of a university degree, thus requiring colleges to adapt themselves to university-standard considerations, while, on the other hand, we see efforts to preserve the format currently existing in universities. Furthermore, the colleges' growth and adoption of academic standards of universities creates a dialectic over their obligations to their immediate region, the environment on the basis of which they grew. This clash of values dictates organizational and academic practices in colleges that constitute a "double game" also involving university and college policymakers. Today, the Budget & Planning Committee (2012), is already speaking of a third layer of university centers—an intermedial layer between colleges and universities, that will satisfy the aspirations of the colleges who are striving to make strides in the field of research.

From a quantitative perspective, the goal of enhancing access to higher education in Israel has been achieved. Since 1990, the number of students in Israel (undergraduate, graduate, and doctoral students) has grown threefold. The largest growth was experienced in undergraduate students attending colleges. From a qualitative perspective, there are concerns of declining quality, if only due to the fact that one third of all undergraduate students attend colleges, which are considered to lack the prestige of research universities. The CHE established an entire system of quality assurance for higher education institutions in Israel, and initiated quality assurance programs in 2004.

It seems that further development of colleges in particular and Israeli institutions of higher education in general seems to have reached a crossroads. Colleges satisfy the national need for access in the country's geographic and social margins. Processes occurring at all academic institutions reflect the academic leadership's outlook regarding learners' "profiles," teaching methods, and above all their targets. Although a reexamination of the unique status and funding needs of the institutions is warranted, a decision will probably not be long in the making. The options are either to wait until market forces and public-political pressure take effect, or to initiate action and perform an overview of the system, including its differential aspects: in order to form proposals regarding the status of research in the various types of academic institutions, reinforce instruction, strengthen and develop academic-practical study programs, and mainly – study the relationship between the two systems of higher education in order to guarantee a proper academic standard that meets the needs of Israel's economy and society, and ensure the status of colleges as a fair, equivalent alternative to universities, particularly in light of the fact that most undergraduate students in Israel study at colleges (65% in 2012).

Over the past decade, Israeli colleges have become established in public consciousness as suitable and legitimate institutions worthy of awarding degrees. The stigma of colleges as second-rate universities is gradually diminishing, but it remains necessary to form an academic and organizational link between these two types of institutions and to promote their coordination through the CHE (Volansky, 1996, 2012). In contrast to the basic heterogeneity in all fields, the system of higher education is moving towards uniformity of academic institutions: uniform tuition, uniform academic degrees, uniform employment terms for academic faculty, and equal budgeting standards. But the most important achievement of democratization and truly equal opportunities has not yet culminated in a conception based on systematic reasoning that distinguishes between these two evolving academic systems. It

increasingly seems that academic institutions will eventually find themselves competing with each other on quality and resources. Student transfers from colleges to universities are not yet a smooth procedure, and consequently the colleges offer graduates degrees in thesis and non-thesis tracks. This trend will eventually spill over to doctoral programs. In 2012, the Budget & Planning Committee considered the establishment of a third layer of university colleges that will combine research activities with teaching, and will be budgeted accordingly. The wage agreement signed with college staff, which allows for a reduction of 10% in staff teaching loads for the sake of research, effectively opened the door to research activities in the colleges, even though the added costs of such activities are not funded by the Budget & Planning Committee.

The dialogue between universities and colleges bears witness to an ambivalent system that requires decisions on essential issues such as, How different will the goals of colleges allowed to be? Will the propensity of central Israel to take the lead be manifested in the division of labor between academic colleges? Does an academic college have a chance of leading in the field of research?

The Case of Ariel University

Ariel University began in the settlement of Kdumim, one of the first settlements constructed as part of the efforts to promote Jewish settlement and settlers in Samaria, and reinforce Zionist ideology and Jewish values, “to provide academic education, whether in or outside the Land of Israel, based on developing and enhancing the spiritual connection to the Land of Israel, its history and its culture” (Ministry of Justice, 1982). Initially the college operated as an extension of Bar Ilan University, offering academic courses outside the Ramat Gan campus. At the same time, the college considered itself an independent academic institution and was sometimes defined as an “evening university” (College of Judea and Samaria, 1986). In its first years, the College of Judea and Samaria operated in two settlements in the Samaria region: in Kdumim, where it was founded as a result of the initiative of the local residents, and in Ariel, where a window of opportunity for expansion opened.

In 1990, all academic and administrative operations relocated to Ariel’s science park, as a cornerstone in the development of the city and the region. The move to Ariel signaled a withdrawal from the initial primary orientation of cultivating a spiritual connection to the Land of Israel, and instead embracing expansion by opening the college’s gates to students beyond the Green Line, and secular and Arab students as well. After the relocation to Ariel, the considerable religious element that was evident in the student body and the programs of study in the college’s first years of operation became less significant. In the first years after the move, the college toolsteps to develop research work through basic and applied research studies in various disciplines, developing curricula in fields that offer potential for applied research projects, faculty served as advisors to research students, laboratories and research centers were established, national and international scientific conferences were held, and the college began publishing several journals.

In the late 1990s, the College decided that it wanted to become a university: “...the activities that the College has performed in recent years gradually have created the features of a university [...] This is, obviously, a continued effort whose gradual maturation will create the necessary conditions to ensure that the College’s application to become a university will obtain the appropriate approvals. A document describing the academic activities that the College must perform in order to bring the College to a level of a “budding university”

within two years, so that in 2000 (the final year of the current government) [...] we will be able to apply to the Commission of Higher Education to be recognizing as having university status.”

- Expand the number of undergraduate departments to 25. Strive to maintain an equal division of students between the engineering and natural science departments and the humanities and social science departments;
- Double the size of the College's stable faculty, especially in departments that are expected to open a graduate program;
- Prepare for graduate programs in electrical and electronic engineering in the 1999/2000 academic year, and for a graduate program in business administration the following year.
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Concurrently with academic development, the document stresses the important role of agreeable political circumstances for the successful transition from college to university: Recognition of university status for all higher education institutions in Israel that were founded after independence (Bar Ilan, Tel Aviv, Ben Gurion, and Haifa) involved political timelines and situations that made it possible to obtain university status, subject to the institutions' obligation to satisfy appropriate academic requirements.

The first public attempt to convert a college into a university was performed during Yitzhak Levy's term as Minister of Education (Levy was a representative of the Mafdal party) and chairperson of the CHE. At the CHE meeting of January 1999, Minister Levy announced his decision to submit to the government a decision, signed by PM Netanyahu, to convert the College of Judea and Samaria into a university. According to the bill, the change in status was justified “due to the rapid pace of development” of the College. The Minister intended to set up a committee that would define the conversion procedure and submit its conclusions before national elections scheduled in May, later that year.

The Minister's initiative to convert the College of Judea and Samaria into a university evoked opposition. The CHE's opposition was based on the working assumption of higher education policy planned which essentially was designed to refrain from establishing new universities, utilize the capacity of the existing universities, and promote the college system. Academic and economic arguments were also hurled at the College, stating that, in the circumstances of dwindling resources, it was not possible to bring college operations to meet the proper academic standard or quality of research of the universities.

The committee of the heads of universities voiced fierce opposition to this attempt to obtain government approval of the College's conversion into a university and protested against the government's attempt to impose an academic decision on the body responsible for the country's higher education policy. In response to the protest, the Minister met with the heads of the universities, who explicitly opposed converting the College into a university. They also threatened not to recognize it, if it is established. Consequently, Minister Levy decided to postpone the conversion until the Budget & Planning Committee approves the need to establish a new university.

In practice, as a result of the Labor party's victory in the May 1999 national elections, efforts to upgrade the College's status were deferred to a more politically convenient period, after preparing the proper academic foundation for the College's conversion to a university.

Another opportunity for the conversion arose in 2005: Likud member Limor Livnat's term as Minister of Education and chairperson of the CHE was characterized by efforts to reinforce the country's college system. In this period, universities' sponsorship arrangement with the regional colleges ended, and these colleges attained academic independence. In this period, the colleges were accredited to award graduate degrees (both theoretical and research degrees), and for the first time, the colleges received representation in the CHE.

In April 2005, the Ministry of Education developed a proposal, stating, The government considers it of national importance to convert the Academic College of Judea and Samaria at Ariel into a university, as a lever for strengthening the higher education system in the region. The accompanying explanations stated that converting the Academic College of Judea and Samaria to a university would attract new populations and reinforce development in the region of Judea and Samaria. Nonetheless, it was also determined that the CHE and the Budget & Planning Committee have the power to decide on the establishment of higher education institutions, and these bodies have the authority to decide on whether to change the status of the academic colleges.

At a government meeting on May 2, 2005, the proposal was approved by a majority of 13 in favor, 7 opposing, and 1 abstaining vote. The government assigned Minister of Education Livnat, in her capacity as chairperson of the CHE, to take steps to examine the options of converting the College to a university, including an examination of all the related national, academic, planning, and budgetary aspects involved.

The government's decision to convert the Academic College of Judea and Samaria to a university was the target of criticism and opposition from the government and the public. The CHE expressed its disapproval of the fact that the government had discussed the proposed academic decision before an in-depth examination was conducted regarding the need for an additional university. The heads of the CHE and the Budget & Planning Committee sent a letter of protest to the Prime Minister and the Minister of Education on this matter. Alongside economic, planning, and academic arguments against the decision to establish another university in Israel, political arguments were also directed at the specific decision to upgrade the status of the Academic College of Judea and Samaria.

Like Israel's other universities, Ariel University struggled to attain recognition, first in campaigned for academic independence, and then to attain university status. Opponents consistently argued that their motives are academic rather than political, and that "academics and politics should not be mixed" (Avneri, cited in Shompalvi, 2005). When Ariel College (which is located beyond the Green Line border) filed its application to become a university, a commotion arose. Israel's seven universities petitioned to the High Court of Justice, contending that "the three main considerations in the decision to recognize [Ariel] as a university, that is, the academic consideration, the planning consideration, and the budgetary consideration, are tainted with grave fundamental defects, and each alone requires that the decision be revoked."

Ostensibly, the petition to the High Court of Justice had no connection to the petitioners' political opinions – the petitioners repeatedly stressed that "political reasons" has no place in the academia (Prof. Peretz Levy, President of the Technion). Prof. Daniel Zeifman, President of the Weizmann Institute, forcefully argued that his position "on this matter is not political...and there is place for a political debate." President of Tel Aviv University, Prof.

Yosef Klapter joined this position and stated “the decision to establish a university should not be motivated by political considerations” since, as the chairperson of the Budget & Planning Committee, Prof. Manuel Trachtenberg, stated, “a debate based on politics and ideology... will strike a fatal blow at the academia.”

Despite the negative implications of a political-ideological debate in the world of the academia, and the attempts of the academia to disassociate themselves from foreign motives such as these, reality shows that the opposite situation ensued and political positions played a significant role in the opposition to the institution’s academic legitimacy. Over 1,000 academic scholars signed a (political!) petition to desist from approving the institution’s upgrade because “involving Israeli academia in the ideology of conquest...threatens the ability of the Israeli academia to function” (Shtul-Trauning, 2012). Dr. Dimitry Shumasky of the Hebrew University wrote that “accreditation of the institution, which is designed to elevate the human spirit, within a reality that is designed to depress the human spirit, ridicules and abuses this concept” (cited in Levinson, 2012). Another argument that is ostensibly apolitical (yet not especially academic), is that there is no place for an additional research university in Israel for budgetary reasons, or as the Committee of University Heads stated, “Additional budgets should be directed to the existing research universities that have been begging for funds for many years” (Nesher, 2012). In this context, others have argued that the universities are behaving as a cartel, as the primary concern motivating them is that an additional university will have an adverse effect on the budgets allocated to them (Arens, 2012). It seems that the debate over academic legitimacy should be examined on the basis of academic and research standards that define the distinction between university institutions and college institutions. Academics, for their part, argue that the opposition as a whole is based on academic motives and disregards political considerations. We wonder what these academic motives are, or in other words, are there any academic criteria for the establishment of a university? As far as we know, the first time such criteria were defined was when a decision had to be made about granting university status to Ariel College (Altshuler Committee, 2006).

Do criteria for university status exist?

Following the government decision to grant university status to the College of Judea and Samaria, the Minister of Education, in her capacity as chairperson of the CHE, as assigned to examine the option of transforming the College’s status, in coordination with the CHE-Judea and Samaria and/or the Budget & Planning Committee, and to address all the aspects related to this issue. After the deputy Attorney General clarified that “[...] the authority to decision on this issue belongs to the CHE-Judea and Samaria, which should discuss the matter after it receives the opinion of the Budget & Planning Committee” (Budget & Planning Committee, 2012). The Minister requested of Prof. Amos Altshuler, chairperson of CHE-Judea & Samaria, to appoint an assessment committee to examine the feasibility of converting the College into a university, and to head these activities. He was instructed to set up a committee comprising “senior scientists who are active in various scientific fields” and, if possible, “individual who are now or have been in the past senior faculty members of universities in Israel.” The Minister appointed the committee to indicate the topics and issues on which the College should improve in order to convert to university status, and to evaluate the time required for such improvements. The committee was instructed to take into consideration CHE rules regarding recognition of higher education institution and any

procedure, which might be determined during the committee's term of service, regarding conversion from college to university status.

At the first meeting of the Altshuler Committee took place in November 2005, participants conducted a general discussion on the fundamental difference between colleges and universities, and ultimately agreed that the difference lied mainly in the institution's identification with the mission of creating knowledge through research. Therefore, they defined the main roles of a university as knowledge creation, knowledge transfer, and training future scientists; It was determined that a college's primary aim is the transfer of the knowledge produced by the universities. In its first meeting, the committee also defined its methodology: each of the academic departments at the College would be examined in detail by the committee members, who would assess its academic standards. In the course of their work, committee members visited the College, met with department heads and deans. The College gave the committee members access to documents and data relevant to the assessment process. After one year during which all aspects related to the transformation of the College into a university were examined—academic activities, teaching, research, academic standards, variety of programs, administrative organization, and the institution's plans for future operations—the committee summarized its conclusions in a report. Committee members reached the unanimous conclusion that the College of Judea and Samaria effectively functions as a university for all intents and purposes, with the exception of supervision of doctoral students (which it is not permitted, under its designation as a college). The committee found that gradual transformation of the College into a university was justified, and recognition was initially provisional. After sufficient academic development, the committee would discuss the College's final status, and it might receive recognition as a regular university. Final recognition was approved in 2013, and the College became the country's ninth university.

CONCLUSION

Before establishment, each of the country's universities had unique motivates, and each was compelled to struggle against fierce opposition. The Hebrew University was established on political-national grounds, and was forced to contend with the arguments that it would undermine the Zionist vision and corrupt the country's youth. Opponents believed that there would be a shortage of instructors and students, and that the standard would be poor. Bar Ilan University was established on the basis of political-religious-ideological reasons. Opponents were concerned that it would divert funds the Hebrew University and would create a social rift between religious and secular Jews. Tel Aviv University was established on the basis of a municipal need, yet its opponent argued that its academic standard is inadequate and that the country did have the resources to fund yet another institution in Israel. Haifa University and Ben Gurion University were established to satisfy a demographic need and the demand for higher education in additional regions in Israel, although opponents argued that there were enough institutions in the country and any new university would compromise the already dwindled budget and would adversely affect the academic standards of all the institutions. To the best of our knowledge, none of these gloomy prophecies came true, and the universities successfully managed to exist alongside each other over the years.

In some ways, Ariel University's struggle is no different that the struggle of forerunners. Ariel was also forced to contend with a series of "hostile elements" that argued that there was

no need for another university in Israel. Nonetheless, opposition to Ariel University was certainly extensive in scope and ferocity, presumably due to the unique features of this institution. First of all, this was a precedent of the first regional colleges that attained university status. As early as 1982, in the institution's founding charter, its founding members outlined the future vision for the institution, to become a university. Second, from a political perspective, Ariel University is located in an area in which Israeli presence is subject to a debate in Israeli society. The institution, located in the "Occupied Territories" also satisfy social needs of its students (its student body has a high percentage of students of Russian, Ethiopian, and Arab origin) and the needs of the administration and staff (a high percentage of instructors of FSU origin). Taken together, these make the case of Ariel unique in the history of the struggle over the establishment of universities in Israel.

Moreover, never before has a university been required to undergo an assessment of its academic standards before its establishment. The body responsible for the assessment is the Budget & Planning Committee, which was established in 1975, after all the other universities in Israel had been established. In effect, before the case of Ariel University, no criteria for university status had ever been defined. In 2005, for the special purpose of assessing the quality of this institution, criteria were defined, and were met successfully by Ariel. Although the criteria were defined, they were never presented as a national standard, but rather as an ad hoc decision. We believe that the reason for this lies in the lack of interest on part of the government, the CHE, and the heads of universities in establishing additional universities. The next university to be established will come from the private sector and therefore will not require government support. Such a university will undermine the government's control of the situation, and if the past says anything about the future, the government will continue to be led rather than to lead in the field of higher education in Israel.

In the case of Ariel, even after the arduous examination and meticulous assessment, opponents did not desist, yet continued to consider the institution as being unfit for the title "university." This is also true for Bar Ilan University, which was closely tied to Ariel and had granted academic sponsorship for many years; Ben Gurion University, the alma mater of many of Ariel's faculty members, was the first of its opponents. While Ben Gurion University complained of Ariel's academic standards, its own department of politics and government was to be closed for similar reasons.

The case of Ariel is a precedent that breaks down the monopoly of Israel's universities after 40 years of hegemony. This precedent was made possible by the atmosphere in which its struggle evolved. The institutions successfully satisfied academic criteria and a quality assessment process. The institution successfully copes with competition and attracts students, and provides an answer to social needs in a capitalist climate. This new, competitive atmosphere is how other institutions will operate in the future. The title "university" is not a life-time brand. Universities must successfully deal with competition; Faculty members must deal with competition. Their role is to create knowledge, and this is what they are assessed on. They are required to report their research activities, and they are measured in terms of outcomes and products. They no longer have complete academic freedom. We believe that the day is not far off when the next university is established, because once the monopoly has been broken, the sky is the limit. It is reasonable to assume that that is exactly the reason for the university leaders' opposition to the establishment of Ariel University. The option for any institution to become a university, provided that it meets academic standards in a competitive

environment, ensures that universities can no longer rest on their laurels. Ariel's recognition as a university undermined the exclusive status of the universities and opened the market, at least theoretically, to competition. As we know from the field of social economics, monopolies are willing to pay any cost, using a host of excuses, to prevent the introduction of competition. The academic world similarly wishes to prevent additional competitors from entering the market, the only difference is that the universities are doing so under the guise of so-called academic arguments, whereas in reality, they are simply concerned for their own status. As history shows, the establishment, or opposition to the establishment, of a university is never based solely on academic motives, but is a combination of academic, economic, and political considerations. Universities that wish to protect their status in the twenty-first century should recognize the changing socio-economic climate. We live in a capitalist world of competition, in which the brand that we represent must prove its worth every day anew. This is academia in a changing environment, one that compels the institutions to participate in competition.

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