

# Recruitment and financing of candidates to study overseas: the case of Malaysia and its implications for Australia

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## Background to Malaysia's Expanding Demand for Overseas Study

Despite its relatively small population of 16 million, Malaysia has in excess of 60,000 students overseas — perhaps the largest single national overseas student population in the world. This is the outcome of Malaysian history — for Malaysian society, politics and hence education policy are the complex products of its colonial and multi-racial heritage.

To oversimplify, the 13-State Malaysian federation came to independence in 1963 with a population mix<sup>1</sup> not greatly different from what it is today — roughly 60 per cent indigenous Malay or *Bumiputera* (literally, sons of the soil), 31 per cent Chinese and 9 per cent Indian<sup>2</sup>. Significantly, the bulk of the Chinese and Indian population is the product of comparatively recent immigration, during the late 19th and early 20th century.

### The New Economic Policy

Although the Malay population has dominated in politics since Independence it has had a disproportionately small stake in the ownership of capital and business and in the professional and wealth-generating occupations in society. Consequently, following serious racial riots in 1969, the Malay leaders embarked on a deliberate New Economic Policy (NEP) designed to 'socially engineer' a more unified and equal society through the 'elimination of poverty and of identification of race with economic function'.<sup>3</sup> Education has played a critical role in the NEP. A deliberate process of positive discrimination in favour of the *Bumiputera* has seen the proportion of Chinese places in Malaysian universities decrease from 48.9 per cent in 1970 to 29.7 per cent in 1985 while that of *Bumiputera* increased correspondingly from 40.2 per cent to 63 per cent.<sup>4</sup> By 1985 *Bumiputera* students thus occupied the vast majority of student places in all Malaysian tertiary institutions. As part of this process of 'Malaysianisation', English was phased

out as the language of instruction in favour of Bahasa Malaya. This policy was completed in 1983.

These two policies have largely been responsible for the generation of the massive demand for overseas tertiary education by Malaysian Chinese and Indian students. Although the local university system has expanded rapidly in the past two decades, from one university in 1969 to seven in 1987, the demand for places has continued to outstrip supply by an enormous margin. Dhanarajan estimates that only 15-20 per cent of demand is currently being met.<sup>5</sup> In 1987 there were 27,658 applicants for 9,598 first-year places in Malaysian universities. Only 35 per cent of applicants could be accommodated locally and the *Bumiputera* policy guaranteed that only a minority quota of such places would go to the strongly education-oriented Chinese. It is this situation which largely explains why the majority of Malaysia's 60,000-plus overseas students are Chinese, most of whom are privately funded. The US alone had some 24,000 Malaysian tertiary students in its institutions in 1986 — up from a mere 4,000 as recently as 1979.<sup>6</sup>

The numbers in Australia have also increased rapidly in the 1980s and we now have approximately 11,000 Malaysian students in our secondary and tertiary institutions. This constitutes just over half the total overseas student population in Australia and the vast majority (over 90 per cent) are subsidised Chinese-Malaysian students.

### Background to Australia's Overseas Student Policy

Overseas students in Australia constitute roughly the same proportion (4%) of the total higher education population as in the US and UK. From 1950 the Colombo Plan provided aid-related scholarships to selected ('sponsored') students whilst private overseas ('subsidised') students paid fees on the same basis as Australian students. When the Whitlam

Government abolished tertiary tuition fees in 1974 (we still have free tertiary education for Australian students) it put a ceiling of 10,000 on the number of overseas students.<sup>7</sup> Growing dissatisfaction with the effectiveness of this policy as 'aid' and its tendency to be exploited for immigration purposes led the Fraser Government in 1979 to introduce an Overseas Student Charge (OSC) set at 20-30 per cent of the 'full-cost' of education. Continuing dissatisfaction and concern resulted in two Commonwealth Reports (Goldring and Jackson)<sup>8</sup> making somewhat conflicting recommendations on overseas student policy to the Hawke Government in 1984.<sup>9</sup> To oversimplify, whilst Goldring saw education of overseas students primarily in 'aid' terms, Jackson placed much more emphasis on 'trade' and encouraged unrestricted access for full-fee paying overseas students as a market based export.<sup>10</sup> In early 1985 the Hawke Government sought to reconcile these conflicting recommendations with a new policy which established three categories of overseas students:

- the traditional 'sponsored' category largely under the auspices of the Australian International Development Assistance Bureau (AIDAB) (quota)
- the traditional 'subsidised' category paying the OSC (quota)
- a new full-fee paying private student category which had only to meet academic entry requirements and demonstrate the capacity to meet the full fee cost (no quota).

At present there are around 14,000 'sponsored' and 'subsidised' overseas students in Australia just over half of whom are Malaysian.<sup>11</sup> Overseas students paying the OSC based on a notional full cost of \$10,000 per annum will pay \$6000 (60% of full cost) in 1988.

### The Dramatic Shift to Full-Fee Marketing

Undoubtedly, it is the new full-fee paying category of overseas students which is

about to undergo dynamic growth in Australia. The serious deterioration of Australia's international balance of trade since 1985 has been accompanied by a deliberate Hawke strategy to capitalise on 'export of education services' along the lines recommended in the Jackson Report.<sup>12</sup> Full-fee paying overseas students meet the full commercial cost of their education which varies from around \$6,000 in cheaper disciplines to possibly \$15,000 or more for Medicine or Veterinary Science.

Since October 1985, Australian tertiary institutions have responded rapidly to the Government's new policy encouraging them to recruit full-fee paying overseas students. For example, whilst in 1986 only six Colleges of Advanced Education (CAEs) and one university offered full-fee courses for overseas students, by 1985 the number had increased to 22 CAEs and 13 universities.<sup>13</sup> As a result the number of tertiary full-fee paying overseas students in Australia will have increased from around 500 in 1986 to about 2,000 in 1988 and is likely to keep escalating at an impressive rate. In 1989, Australia's first private university, the Bond University, will enrol its first overseas students and a number of other private tertiary institutions are being quickly established with a view to tapping into this market. A similar rapidly expanding market for overseas fee-paying students is emerging in Australia in the final two years of secondary school and already many public and private schools are expanding their intake of such students. In addition, of course, Malaysian students are able to prepare for and sit South Australian and Western Australian exams in Kuala Lumpur through arrangements with Taylors College and Exim.

## **Australian Recruitment of Malaysian Students**

### **Sponsored and Subsidised Students**

The Australian Government has an overall quota on these two programmes of approximately 14,000 overseas students.<sup>14</sup> In addition, to reduce the tendency for overseas students to concentrate in particular campuses, its March 1985 policy introduced general rules preventing any institution from having more than 10 per cent overseas students in total and more than 20 per cent in any one course. No quotas apply to the full-fee program.

Malaysian-sponsored students are of two types, those funded by the Malaysian Government and those funded by the Australian aid program. Both are administered by AIDAB. In the subsidised (OSC) program students apply through the Overseas Students Office and they must compete for admission on the basis of ability and country quotas set by

the Australian Government. A problem which emerges in this respect is that Malaysian students are in the majority in both the sponsored and subsidised programs. In recent years, some Australian policymakers have argued that these two aid programs should give greatest assistance to the poorest countries in the region and that on this basis Malaysia should not receive the lion's share of the aid.<sup>15</sup> Undoubtedly, the gradual moves by the Australian Government over the last three years to increase the OSC from 35 per cent to 60 per cent of full cost have been motivated by such a view.

However, these sharp increases in the OSC have brought outcries from individual Malaysian students, the Malaysian Government and the Malaysian media. Nor has the adverse publicity within Malaysia relating to recent cases of Australia deporting students who have persistently failed to pay their fees, done much to foster Malaysian-Australian relations — the specific purpose of the whole aid program. Amongst those in Australia who favour the 'aid' rather than 'trade' approach to overseas study, there is considerable apprehension that as the Hawke Government continues to hike the OSC to the point where it approximates the full-fee, the distinctions between the two categories will disappear and Australia may abandon or substantially reduce its education aid program.<sup>16</sup>

### **Recruitment of Full-fee Paying Students**

Whilst the Australian Government has now established an Overseas Students Office in Kuala Lumpur and appointed two or three marketing and recruitment officers within Austrade (formerly the Australian Trade Commission), it has generally encouraged a free market approach to recruiting overseas students among Australian institutions. Thus, to date, each institution has tended to 'do its own thing' and there has been no equivalent of a cooperative coordinating body such as the British Council or the Malaysian American Commission on Educational Exchange (MACEE) in Malaysia. Whilst some tertiary institutions use Austrade or the Western Australian Government's Exim Corporation as their agent, many have appointed local Malaysian education recruitment companies as their agents. These agents typically charge both the institution and the client student for a successful 'match'. Such agents run regular advertisements in the media and arrange and publicise itineraries for 'recruitment seminars' and interviews by representatives from the Australian institutions when they come on 'recruitment missions' to Malaysia. There has also been a rapid growth of 'Education Fairs' often organised by Austrade. Such fairs

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**"From an Australian perspective, overseas students, in particular, present a number of problems."**

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often attract 15 or 20 Australian institutions and thousands of students. Whilst in Malaysia recently I encountered many people who argued that Australia badly needed the equivalent of a British Council or MACEE to act as a clearinghouse for information and to exercise a degree of supervision over some of the less reliable agents recruiting on behalf of some institutions.

## **Matching Up the Malaysian and Australian Pictures**

Malaysia's large and growing demand for overseas student places creates problems as well as opportunities for both Malaysia and Australia. In the first place, Malaysia exports massive funds to cover the cost of its 60,000 overseas students. Malaysia's 'cost' is Australia's potential 'benefit' as Australia now seeks to tap into this 'export market' by recruiting full-fee paying students.

But there are problems for Australia. Already, Malaysia's roughly 8,000 tertiary students in Australia (most of whom come under the sponsored and subsidised 'aid' programs) constitute more than half of all overseas students in the country and their concentration on some campuses and in some faculties has been a cause of concern. As Australian local student demand continues to outstrip supply in Australia's financially hard-pressed public higher education system, the competing demand to expand full-fee paying overseas student places, and the financial incentives to the institutions to give such places preference, is a potential source of conflict and ill-feeling. On the other hand, the emergence of a number of private tertiary institutions to specifically cater for this overseas demand may assist in alleviating such tensions in the slightly longer run.

### **Malaysian Costs — The Search for Cheaper Solutions**

The magnitude of Malaysia's overseas student phenomenon and its cost must be issues of considerable concern to the Malaysian Government. In effect, for every two students obtaining a degree locally (total Malaysian university population 40,000) there are three being educated abroad (60,000). The Malaysian Government currently spends about 10 per cent of its GNP on its seven universities.<sup>17</sup> Thus between 1981-1985 it spent a

total of \$A1.5b on the local universities. By comparison, every year the economy of Malaysia transfers over \$A1.7b abroad to meet the costs of its students overseas. About half of this is spent by the Government sponsoring Malaysian students overseas and the rest by private individuals.<sup>18</sup> This makes a substantial contribution to Malaysia's balance of trade problem. Undoubtedly it is the growing realisation of the immensity of this cost, together with the present economic recession, which has recently led the Malaysian Government to substantially reduce its program of sponsored overseas studentships and simultaneously to encourage the rapid expansion of the more economical 'twinning' concept — a promising concept discussed further below.

### **Overseas Student Costs in Australia**

Dhanarajan has estimated that approximately \$A1.7b flows annually out of the Malaysian economy to meet the tuition and living costs of its 60,000 overseas students.<sup>19</sup> It is not clear on what basis this calculation is made but the average cost (\$A28,000) seems very high — at least by Australian standards. There is no doubt that the downward movements in the Australian dollar over the past two years have increased Australia's competitiveness (particularly against the United States and the United Kingdom) as a potential destination for overseas students.

In determining the annual Overseas Student Charge (OSC) to be paid by subsidised students (\$6,000 in 1988), the Australian Government works on a notional full tuition cost of \$10,000 per annum. If we assume this to be a reasonable estimate of average tuition cost and we add the Overseas Student Office's estimate of annual living expenses (\$8-9,000) then tuition and accommodation in Australia come to about \$19,000 per annum. If we add on a return airfare (say \$1,000), then all-up costs come to approximately \$A20,000 per annum.

When we realise that even the wealthiest Malaysian racial group, the Chinese, had only a mean annual family income of \$A10,602 (\$M18,024) in 1984, it is obvious that only a very small wealthy group in Malaysia can afford \$20,000 per annum for full-fee paying study in Australia.<sup>20</sup> Not surprisingly, the combination of continuing high motivation amongst Malaysians for overseas education, serious economic recession and the aggressive competition amongst foreign tertiary institutions for a slice of the Malaysian full-fee market has impelled the search for cheaper educational solutions.

One such solution which is growing

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rapidly in popularity is that of twinning or joint-degree programs between Malaysia and overseas tertiary institutions.

### **Twinning: A Promising Model for Overseas Study**

In the past four or five years as the Malaysian demand for overseas education has escalated a number of 'twinning' developments have emerged. In the last 12 months, in particular, twinning developments with Australian institutions have proliferated. Twinning in its purest form involves a joint degree program where the Malaysian student completes and is awarded an identical degree from the overseas university, after having undertaken the initial year or two years of his/her degree in the Malaysian 'twin' institution. The potential advantages of this approach are manifold. First, it has the capacity to reduce the total costs of a foreign degree by over one-third with associated benefits to the individual and to the Malaysian economy. Second, by keeping students in Malaysia for an extra year or two years until they are more socially and educationally mature, it reduces problems of cultural adjustment and academic failure. Third, from a Malaysian perspective, it provides the opportunity for not only including relevant Malaysian elements in the early part of the degree curriculum but also reduces the problems of loss of commitment to the home country which is a major problem accompanying long stays overseas. Naturally too, the existence of the Malaysian twin institution creates academic jobs in Malaysia and promotes the expansion of higher education within Malaysia. Amongst the best-known of the recent twinning arrangements are the Taylors College-Royal Melbourne Institute of Technology and Sunway College-Curtin University of Technology Bachelor of Business (Accounting) Degree programs. In December 1987 the University of Western Australia announced the commencement of twinning degree programs in economics, commerce and science with Sunway College. Students undertaking these programs will save \$10,000 by completing their first year at Sunway College.

To illustrate the potential cost savings let us take the figures provided by Sunway

College for the Curtin-Sunway Bachelor of Business (Accounting). Sunway's figures for Australian cost of living seem seriously underestimated so the savings are probably less than indicated. If a Malaysian student undertook the three-year program in Australia at Curtin he/she would pay annual tuition fees of \$7,500 and living expenses of \$4,000 for a total cost of \$34,500. Under twinning arrangements the student can undertake the first two years at Sunway for a total cost of \$13,083 and the final year at Curtin for \$11,500 for a three-year total cost of \$25,583 and an overall saving of \$9,000.

The major misgiving which many academics express about twinning relates to maintenance of academic standards. Provided the twinning institutions — and the Australian degree-granting institution in particular — take adequate steps to protect their reputations by ensuring quality teaching and assessment in Malaysia, then twinning seems assured of a bright future. It should be added that the biggest Malaysian twinning venture so far (involving over 8,000 students) is one negotiated between the Malaysian Government's Mara Institute of Technology and a consortium of seven mid-western United States universities.

### **Concluding Observations**

At the present time, it is clearly perceived by the governments of both Malaysia and Australia to be in the interests of both countries for Australia to continue to accelerate its provision of higher education for Malaysian students. Malaysian higher education institutions clearly will not be able to cope with more than a small proportion of the local demand into the foreseeable future and the Malaysian Government seems resigned to an acceptance of the high economic costs of meeting this demand overseas. Whilst the Malaysian Government would clearly prefer an increase in Australian aid via more sponsored and subsidised tertiary places for Malaysian students, the economic and political reality is that Australia is only likely to make marginal increases in these programs and the dynamic growth of places for overseas students will occur in the full-fee paying programs.

Given the continuing economic recession in Malaysia and the escalating costs of overseas education, there is likely to be a growing focus on the development of twinning arrangements with their obvious economic, educational and cultural advantages to Malaysia. This would seem to me to be an obvious area where governments in both countries might beneficially focus their policy development efforts.

A number of problems continue and others are emerging. From a Malaysian perspective, perhaps the most serious and continuing problem is the whole question

of 'How healthy is it for Malaysia to remain dependent in the long term on having more than half its tertiary students educated overseas?' The costs in terms of currency outflow, brain drain, educational and cultural relevance and promotion of Malaysian nationalism must be very high. It may be that some of the substantial sums which the Malaysian Government spends on sponsoring Malaysian students abroad could have a more beneficial long-term effect if diverted to the enhancement and expansion of staff training and development in the Malaysian universities themselves.

### Malaysia's Serious Graduate Unemployment Problem

Another major emerging problem for Malaysia is the dramatic growth in graduate unemployment. Although this problem has only arisen in serious form over the past two or three years, it is now of major proportions.<sup>21</sup> Recent estimates put the number of graduate unemployed in the vicinity of 50,000 — that is more than the total number of students currently enrolled in Malaysia's seven universities. Nor is the over-supply confined to the humanities but it extends to areas of previous shortage such as maths, science and computing. Whilst the problem has no doubt been exacerbated by Malaysia's economic recession, there must now be some doubts about whether the Malaysian economy will in the future be capable of absorbing the level of graduate output emerging from local and overseas universities.

### The Declining Standard of English

Another serious emerging problem is that of the accelerating decline in the quality of English amongst Malaysian students as English has been progressively phased out as the language of instruction in recent years. This problem is widely recognised in Malaysia and acknowledged by the Malaysian Government. It poses special problems for tertiary institutions in Australia recruiting Malaysian students and it is likely that increasing levels of English language remediation and support will have to be provided as this problem worsens.

### Australian Problems

From an Australian perspective, overseas students in general, and Malaysian students in particular, present a number of problems. In a higher education system which is currently overstretched and turning away somewhere between 13,000-20,000 'eligible' Australian students, overseas students can easily become a political embarrassment for the Federal Government.<sup>22</sup> It was largely because of the visibility of overseas students on several Australian cam-

**Table 1: Enrolment Numbers in Malaysian Universities for 1984-1985**

University	Full-time	Part-time	Total
University of Agriculture	7,192	—	7,192
Int. Islamic University	287	—	287
University of Malaya	9,147	—	9,147
National University	8,446	—	8,446
Northern University	330	—	330
University of Science	5,187	1,121	6,309
University of Technology	6,595	—	6,595
<b>Total</b>	<b>37,184</b>	<b>1,121</b>	<b>38,305</b>

Source of Data: Sharom Ahmat 'University Education in Malaysia, in *Commonwealth Universities Yearbook*, Association of Commonwealth Universities, London, 1986

**Table 2: Malaysian student enrolment in selected Commonwealth countries (1978-1984)**

No Countries	1978	1979	1980	1981	1982	1983	1984*
1 United Kingdom	15,470	16,323	15,980	14,500	12,530	13,293	14,000
2 Australia	6,016	4,878	5,383	6,064	5,769	6,337	7,212
3 India	3,231	5,583	6,000	6,000	6,300	6,853	7,020
4 New Zealand	2,258	1,837	1,885	1,527	1,263	1,510	2,000
5 Canada	998	3,232	4,750	7,846	8,294	8,849	9,100
6 Singapore	868	834	834	834	1,323	1,439	1,000
7 Hong Kong	95	109	109	14	19	32	32
8 Bangladesh	55	71	71	71	72	51	40
9 Sri Lanka	10	10	28	14	28	14	20
10 Brunei	2	—	—	—	—	1,707	1,707
11 Nigeria	1	—	—	—	—	—	—
<b>Total</b>	<b>29,004</b>	<b>32,877</b>	<b>35,040</b>	<b>36,870</b>	<b>35,598</b>	<b>40,085</b>	<b>42,131</b>
<b>USA (1986)</b>							<b>24,000</b>

Note: \*Estimated data for the year 1984.

Source: High Education Division (HED), Ministry of Education, Malaysia. MACEE 1986 Survey  
Table adopted from Dhanarajan (1987)

pus that the Federal Government imposed institutional quotas restricting the percentage of overseas students in 1985. The problem is exacerbated by the strong concentration of overseas students in particular faculties such as economics, business, commerce, engineering and computing. The full-fee paying overseas student policy itself, in the current circumstances where Australian students are denied access to it, provides further potential for resentment by Australian students. This problem will possibly disappear if, as seems likely, tertiary tuition fees are reintroduced for Australian students in the not too distant future. Understandably, many Australian students and faculty currently view the full-fee paying overseas student program as an undesirable policy which makes virtually inevitable the future reintroduction of tuition fees for all. The question raised by the Jackson Committee about the appropriateness of so much of Australia's

existing education aid going to Malaysian students rather than to students from even 'needier' countries in the region is one which continues to be debated but which may well be simply left in abeyance as the costs of OSC and full-fee paying programs converge and thus blur the issue.

Because of the deteriorating levels of Federal financial support for Australian tertiary institutions, the institutions have, in general, grasped with both hands the opportunity afforded to them since 1985 to generate much-needed income from full-fee paying overseas student programs. Consequently, the level of visibility of Australian tertiary institutions and their marketing representatives has risen substantially in Malaysia and it seems likely that notwithstanding Malaysia's economic problems there will be considerable growth in the number of Malaysian students undertaking study in Australia. It would seem that particularly in the area of twinning developments there is

substantial scope for collaboration between Australian and Malaysian institutions and Governments with consequential benefits to students and nations.

### Footnotes

1. Excluding Singapore which was only in the Federation briefly (1963-1965).
2. International Institute for Educational Planning (IIEP), Report No. 66, 'University Education and Employment in Malaysia', Paris, 1987.
3. *ibid.*, p.41.
4. *ibid.*, p.96.
5. G. Dhanarajan, 'Offshore Distance Education: A Malaysian Perspective', in *The Australian Universities' Review*, 30, 2, 1987.
6. Macee Report on Malaysian Students Entering US Educational Institutions in 1986, Kuala Lumpur, Educational Information Center, Malaysian-American Commission on Educational Exchange, 1987.
7. C.D. Throsby, 'Trade and Aid in Australian Post-Secondary Education', in *Development Studies Centre Working Paper*, No 85/8, ANU, 1985.
8. Goldring Report: *Mutual Advantage: Report of the Committee of Review of Private Overseas Student Policy*, Canberra, AGPS, 1984, and Jackson Report: *Report of the Committee to Review the Australian Overseas Aid Program*, Canberra, AGPS, 1984.
9. William Lowe Boyd and Don Smart (eds), *Educational Policy in Australia and America: Comparative Perspectives*, London, Falmer Press, 1987.
10. Throsby, *op.cit.*
11. Grahame McCulloch, *Background Paper on the Privatisation of Higher Education*, Canberra, Federation of College Academics, 1986.
12. Don Smart, 'The Financial Crisis in Australian Higher Education and the Inexorable Push Towards Privatisation', in *The Australian Universities Review*, 29, 2, 1986.
13. Susan Ryan, Address to Export of Education Services Seminar, University of Tasmania, 24 April 1987.
14. McCulloch, *op.cit.*
15. Jackson Report, *op.cit.*
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17. G. Dhanarajan, Offshore Distance Education: A Malaysian Perspective, in *The Australian Universities Review*, 30, 2, 1987.
18. *ibid.*
19. *ibid.*
20. *ibid.*
21. IIEP, *op.cit.*
22. D. Smart, R. Scott, K. Murphy and J. Dudley, 'The Hawke Government and Education 1983-1985', in *Politics*, 21, 1, May 1987, pp.63-81.

## The Place of Tenure in Efficient Academic Organisations\*

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The 1980s are a decade of economic difficulty combined with rapid technological and cultural change. At the heart of these conditions lies a shift in economic power from the United States and Western Europe to the newly emergent economic powers of East and South East Asia. Western governments have found an attractive answer to the burden needed to pay for the public sector and the related problems of public sector union power through the concepts of deregulation, privatisation and user-payment. Starting with President Carter's deregulation of the US air transport industry in 1973<sup>1</sup>, deregulation has been applied to banking, finance, the media, transport, housing, manufacturing and public utilities such as telephone, electricity and gas supplies in one country after another. Its acceptance by the public is attributable to the appeal of wider choice at apparently lower cost to the public purse, though its true costs may only become known much later (and it is interesting to note that widespread disillusionment with recently privatised television services in France has already set in).

Given this context, it is to be expected that higher education in Australia should have been subjected to the same demands for deregulation, privatisation and user-payment, in line with other branches of the public sector and towards the same objectives: to increase choice, to lower costs and to increase efficiency. At the very core of the claimed inefficiency of the higher education system lies the concept of tenure, and the demands for its abolition are becoming ever more strident.

### The Origins of the Concept of Tenure

The word tenure, the holding of a piece of property or office (from the French *tenir* to hold) when applied to certain roles has a long history. Universities began as mediaeval schools known as *studia generalia* with the purpose of educating clerks and monks beyond the level of cathedral and monastic schools. The Universities were guilds of scholars at

and around the *studia*, the first being believed to be the *Universita degli Studi di Bologna* in the twelfth century. In 1158 Frederick I Barbarossa granted the scholars of Bologna the privileges of protection against unjust arrest and trial before peers. In Paris in the same century another body of scholars developed, and these were classed as members of the clergy and were granted the right of trial by an ecclesiastical court. In 1167 Henry II of England placed an embargo on English clerks going abroad and students and teachers thus forced to return from the University of Paris chose Oxford to settle and establish a new *studium*. The earliest known granting of privileges dates from the formal recognition of Oxford by papal legate in 1214<sup>2</sup>. Other universities developed or were created throughout Europe, and then in America with Harvard in 1636, in Canada with Laval in 1852, in Australia with Sydney in 1850, in Japan with Tokyo in 1877 and China with Peking in 1902.

Despite the early recognition of the need for privileges in order that scholarly functions be effectively exercised, the practice of tenure appears to be have been more an ideal necessary for the good standing of the institution rather than a practical reality.

The architect of the modern concept of bureaucracy, Max Weber (1864-1920), realised that tenure was an essential characteristic of the legal-rational organisation and wrote that

*Normally, the position of the official is held for life, at least in public bureaucracies; and this is increasingly the case for all similar structures . . . In contrast to the worker in a private enterprise, the official normally holds tenure<sup>3</sup>.*

The concept of tenure was seen by Weber as an essential characteristic of a bureaucracy in the same way that training, entry examinations and adequate remuneration in a career pattern within a structured hierarchy were also essential. In matters of university organisation, Weber saw clearly the need for academic freedom in the pursuit of excellence and the role of objective appointment criteria