The Transformation of Higher Education in Israel since the 1990s: The Role of Ideas and Policy Paradigms

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This article examines the transformation of Israel’s higher education system since the 1990s. During that period, the system underwent expansion, diversification, privatization, and internationalization in a series of path-breaking reforms. The main argument is that while external factors—such as demographic trends—exerted pressure for change, the trajectory and policy options preferred were shaped by ideational factors. Policy entrepreneurs played a crucial role in advancing pathbreaking institutional change when they reframed policies through linking cognitive ideas of “what has to be done” with the normative ideas that granted legitimacy to the proposals for reform.

Introduction and Theoretical Framework

Recent approaches to explaining policymaking trajectories and large-scale policy transformations claim that ideational factors such as belief systems and policy frames should be viewed as important explanatory factors (Appel 2000; Béland 2005; Berman 1998, 2001; Bhatia and Coleman 2003; Blyth 2002, 2003; Cox 2004). Much of this research builds on Hall’s (1993) concept of policy paradigm, which integrates ideas into historical institutional analysis.

One of the factors motivating the turn to ideational dimensions was dissatisfaction with the way that the leading theoretical approaches, but especially historical institutionalism, explain change and attribute a major role to external factors. Lieberman (2002, 701) contends that within the varieties of institutional approaches, “important change almost necessarily appears to be exogenous, the result of some sort of shock of unknown origin.” Rittberger and Stacey (2003) also state that further development of the historical institutional theory is required to address the exogeneity problem. Recently, Cashore and Howlett (2007) have also claimed that the prevailing orthodoxy reveals widespread acceptance of the argument that enduring policy change is usually initiated by “external perturbations.”

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Indeed, in a review of the institutional approach, Peters, Pierre, and King (2005) argue that the fundamental theoretical question remains whether the initiation of change can be explained by the approach. In order to account for the initiation of change, they claim that the roles of ideas, agency, and of social actors within the institutional framework require further conceptualization.

The proliferation and distinctive features of ideational approaches to explaining change by developing an endogenous change approach within the framework of historical institutionalism have led researchers to refer to these efforts as an emerging variant of institutionalism. This variant has been labeled constructivist institutionalism (Hay 2006a) or discursive institutionalism (Schmidt 2002, 2008). Hay (2006b) attributes the emergence of the constructivist approach to an attempt to grapple with the limits of historical institutionalist scholarship in dealing with change, associated with its failure to offer an endogenous account of change.

Schmidt (2002, 2008) employs the term discursive institutionalism to indicate a dual focus, combining the role of ideas and of discourse in explaining institutional change. Discourse comprises ideas and the interactive processes employed in conveying them. Ideas represent the substantive content of the discourse; they exist at three levels—policies, programs, and philosophies (Hajer 2003). Schmidt further suggests distinguishing between two types of ideas: cognitive ideas that provide causally based recipes for guiding actions and normative ideas that legitimize choices on the basis of values. To enable discussion of how ideas are conveyed by policy actors within different institutional contexts, use of discourse is required. Schmidt and Radaelli (2004) therefore claim that discourse is central to the attempt to integrate structure and agency—and thus explain the dynamics of change.

The present study builds on these suggested lines of inquiry. By examining the role of ideas in shaping responses to external pressures for change together with the role of ideas as independent sources of change, the different roles that ideas may play in change can be elucidated. Furthermore, using Schmidt’s (2008) distinction between cognitive and normative ideas generates new propositions regarding why some ideas promoted by policy entrepreneurs successfully replace other ideas and come to dominate political reality as policies or philosophies.

Nonetheless, as Skogstad (1998) claims, demonstrating the independent effects of ideas on policy outcomes is an elusive empirical exercise. Blyth (1997), in fact, claims that in the study of how public policies are shaped, ideas are rarely examined as “a truly ‘independent’ variable.” Instead, most policy analysts ascribe explanatory power to ideas only when they interact with interests of strategically placed individuals or groups and institutions (Skogstad 1998). Hence, the focus of the present study is exploration of pathbreaking policy changes as a process in which ideas can play an independent role. The main theoretical and methodological problems tackled will be conceptualization of the role of ideas as
independent factors that either successfully bring about or halt change and construction of an analytical strategy for collecting empirical evidence of this role.

Four main arguments are offered. The first argument states that ideas matter: While external factors—such as demographic trends—may exert pressure for change, the trajectory, policy options preferred, scope, and targets of change are often shaped by ideational factors.

The second argument states that ideational factors may not only impact on the choice of policy instruments in response to external factors, they may also become independent factors driving policy change in the absence of external factors pressing for such change.

The third argument is derived from Schmidt’s (2008) distinction between cognitive and normative ideas. It relates to the question of why some ideas promoted by policy entrepreneurs are successful in replacing entrenched ideas while others are not. This argument suggests that ideas have a better chance of overcoming other ideas when policy actors are able to convey them as positive on cognitive as well as normative dimensions.

The fourth argument, following from the others, bridges two salient dimensions, institutions and actors. It states that ideational factors may play different roles in the process of change. Embedded in institutionally dominant arrangements, ideas may prevent or halt changes demanded by social actors or shape responses to external perturbations. However, new ideas that challenge entrenched ones can become independent sources of policy change when policy entrepreneurs weave a discourse that links alternative normative and legitimizing ideas with cognitive and instrumental ones.

In dealing with the methodological strategy of conceptualizing ideas as independent rather than as residual variables, I argue that a distinction is to be made between ideas embedded in and fortified by established institutional arrangements—such as policy regimes and regulation regimes—and between ideas carried by social agents and policy entrepreneurs, yet lacking institutional corroboration. It is the study of ideas of the latter type, those that are not yet fixed within institutional structures, which can instruct us about the independent role of ideas in policy transformation.

The empirical case to be examined here is reforms of higher education in Israel during the 1990s–2000s. From the establishment of the State in 1948 until the 1990s, higher education in Israel was essentially public, consisting mainly of universities regulated by the Council for Higher Education (CHE). The legal institutionalization of the CHE’s regulatory authority in 1958 granted the higher education system considerable autonomy vis-à-vis the government. Israeli higher education enjoyed high public esteem1 domestically and internationally. In the 1990s, however, the system was radically transformed in the wake of major pathbreaking structural reforms. These included privatization, implemented through establishment of private Israeli institutions; internationalization, imple-
mented through licensing of extensions operated by foreign universities; and diversification, implemented through development of a public college sector. These reforms transformed the landscape of higher education, with the number of institutions quadrupling in less than five years. The rules of the game were consequently altered, together with the distribution of power, as the government attempted to enhance its role in education policymaking.

The case of higher education reform in Israel is especially appropriate for examining the respective theoretical issues due to several contextual features. First, it is possible to measure fluctuations in the intensity of external demographic pressures on this domain. Such measurement makes it possible to compare the correlation of policy shifts with demographic trends. Second, the ability to identify discrete waves of reform, varying in content, enables us to distinguish between reforms that constitute choice of policy instruments versus reforms emanating from attempts to institutionalize new ideas and dismantle prevailing ones. Such a distinction enables us to better examine the independent role of new, yet-to-be-institutionalized ideas. Third, while the combination of factors leading to the reforms was unique to the Israeli case, reforms carrying similar ideas took place in higher education systems in other countries.

Institutional Analysis, Policy Paradigms, and Explanations of Change

Institutional analysis—and historical institutionalism specifically—has emerged during the last two decades as a leading approach within social science, especially in public policy analysis (Campbell 2004; Peters 1999). A basic insight emerging from the institutional approach is that self-sustaining processes contribute to the construction of institutional configurations; institutional policies are therefore resistant to change once a pattern has congealed and its path dependency is in place (Pierson 2000).

In order to deal with continuity and change in political and policy processes, Hall (1989, 1993) introduced the concept policy paradigm, “a framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing” (1993, 279). In elaborating this concept, Hall suggested that prevailing policy paradigms are threatened by rising external forces or anomalies, incongruent with the existing framework. In such cases, policy paradigm shifts—constituting path-altering transformations—may occur. Although Hall conceptualizes change in internal ideational terms, he does locate the impetus for these changes in external conditions.

Two major foci may be discerned among the more recent of contributions to the study of ideas as explanations of change. The first is a focus on the independent role of ideas versus interests. Berman’s (1998) major contribution focuses on the “programmatic” beliefs of party leaders, derived from ideological contexts but not reducible to a priori interests, as
explaining policy choices (For a review of the research pointing to ideas as irreducible to interests, see Blyth 2003).

The second focus of research addresses the question of how ideas actually come to exercise causal influence on policy. Hansen and King (2001) pose this question in their study of the rise of eugenics in Britain and the USA. Blyth (2001), when dealing with this same question, suggests viewing ideas as “cognitive locks,” with policy continuity as ideational rather than exclusively institutional in character. Cox (2001), who examined welfare reforms in Germany, the Netherlands, and Denmark, argues for incorporation of a constructivist perspective into institutional analysis for the purpose of deepening our understanding of the path-shaping formative power of ideas. The constructivist and discursive perspective integrates the notion of agency together with ideational factors to explain how policy actors frame policy problems and their solutions (Schon and Rein 1994; Stone 1989; Yanow 1996). Béland (2005) elaborates the potential contribution inherent in Kingdon’s (1984) theory of agenda setting for gaining further insights into how ideas and paradigms shape the policy process. In a study focusing on the development of the policy of cooperation in higher education in the European Community for the period 1955–2005, Anne Corbett asks what made the idea of cooperation acceptable. Her study pinpoints the role of policy entrepreneurs in explaining policy change while theorizing the impact of individual agency and contingency on structure (Corbett 2005). Schmidt and Radaelli (2004), in delineating the discursive variant of institutionalism, refer to discourse as an interactive process representing the policy ideas and the processes that disseminate them. Discourse may exert a causal influence on policy change by redefining interests, altering perceptions of problems, and influencing preferences. Hence, discourse analysis can bridge the gap between institutional and actor-centered analyses, that is, between structure and agency.

The current research falls within the contours of discursive institutionalism as discussed above. It integrates investigation of policy ideas with the inquiry into the interactive processes that served to promote them as well as to overcome entrenched ideas and institutions. This examination of change in higher education in Israel thus offers an institutional together with an actor-centered analysis.

I follow Schmidt’s (2002, 2008) distinction between two types of ideas: cognitive ideas that are causal ideas, elucidating “what is and what to do,” and providing recipes for action, and normative ideas that attach value to political action and serve to legitimate policies and programs through reference to their appropriateness. This distinction, I claim, is fruitful for generating new hypotheses addressing the question of why some ideas come to dominate political reality as policies or philosophies while others do not. One such plausible proposition examined here is that when policy entrepreneurs manage to amalgamate both types of ideas so that they support one another, such ideas may overthrow others. In advancing an
actor-centered analysis, I further inquire into the attributes of policy entrepreneurs that may enhance their ability to attach credibility to the link they offer between “what to do” policy ideas and “why is this the appropriate thing to do” of normative in addition to cognitive ideas.

The conceptualization of the ideas as having an independent role calls attention to a problem treated by Peters, Pierre, and King (2005) as the measurement problem characterizing the current study of change within historical institutionalism. Viewing this problem as an essentially conceptual issue within the context of dependent variables, they argue that historical institutionalism lacks sufficient clarity with respect to the definition of pathbreaking policy change. This lacuna is making systematic identification of change an elusive exercise while complicating attempts to relate the impact of independent variables on outcomes.

I suggest that incorporating the concepts policy regime and regulatory regime can help us examine the role of ideas as independent factors in policy change while improving measurement of institutional persistence and change.

### Policy Paradigms, Policy Regimes, and Regulatory Regimes

Researchers generally apply the concept policy paradigm to systems of ideas and beliefs that go beyond a specific policy domain to encompass basic normative beliefs. Hall (1993) refers to the Keynesian paradigm, eventually replaced by the monetarist paradigm, whereas others refer to welfare state, neo-liberal paradigms and so forth (Cerny 1997; Cheung 2005). With respect to specific policy domains, two key concepts—policy regime (Bleiklie, Roar, and Vabo 1999; Wilson 2000) and regulatory regime (Moran and Prosser 1994)—have been widely used in recent years. The term policy regime denotes the institutional arrangements and procedures that determine how policy in a specific policy domain should be determined, together with a profile of how policy is in effect made (Wilson 2000).

A major component of policy regimes—one especially relevant in the present study—are regulatory regimes (Majone 1994; Moran and Prosser 1994; Moran and Wood 1993). Moran and Prosser (1994) offer a classification of regulatory regimes, rooted in the different role allocated to the state in relation to other actors. In an independent self-regulation regime, regulatory tasks are left in the hands of private and voluntary organizations. In a state-sanctioned self-regulation regime, the state delegates the authority to develop regulatory norms, by sector, to a specific institution. Under a direct state regulation regime, regulations are formulated and implemented by civil servants belonging to the public administration.

A policy regime may therefore be thought of as a combination of institutional, organizational, and regulatory arrangements that institutionalize the ideas stemming from a particular policy paradigm and pertain to a given policy domain. Hence, the concept of policy regime
allows measuring the scale of change. The greater the number of policy regime dimensions and components altered, the more sweeping and pathbreaking are the changes. A paradigm shift culminates with the transformation of a regime’s essential features. Furthermore, when new policy paradigms are formed, many of their new ideas initially lack institutionalized arrangements and are not incorporated yet into the existing policy regime. We can therefore treat them as ideas available for study as independent rather than residual institutional factors.

Research Questions and Propositions

The main theoretical questions this article will address are: What roles do ideas play in pathbreaking policy change or reform? Do ideas have an independent effect on policy changes? What factors contribute to making ideas independent sources of reforms? What role do social agents play in advancing pathbreaking change? What affects policy entrepreneurs’ success in conveying new ideas, both cognitive and normative, within contexts exhibiting strong policy paradigms?

The main empirical research questions corresponding to the theoretical questions are: What brought about the dramatic reforms in Israel’s system of higher education as of 1990? To what extent were the reforms of the 2000s meant to respond to increasing demand for higher education and to what extent were they aimed at institutionalizing a paradigm shift? How did policy entrepreneurs convey the new ideas when introducing pathbreaking change?

Analytical Strategy, Research Design, and Data

The study is based on a mixed-method research design (Tashakkori and Teddlie 1998). It combines a quantitative analysis of demographic data to investigate changes in exogenous factors with a historical institutional analysis of paradigms and regulation regimes and an analysis of discourse—ideas and interactive processes—for the purpose of exploring endogenous factors. Based on the theoretical framework, the study employs two types of independent variables: (1) Demographic change variables: A quantitative analysis of changes in the cohort size and number of students eligible for higher education was employed to evaluate trends in demand as external pressures for expanding the higher education system during waves of reform. The reforms’ outcomes, in terms of impact on demand for expanding higher education, were also analyzed. Several waves of reform (i.e., timing, aims, and targets) were distinguished in order to examine the role of ideas in comparison to demographic pressures. (2) Ideational variables: I used the framework of discursive institutionalism to analyze the two components of discourse: ideas as the content component, and the conveying of ideas by social agents as the interactive component. The government’s declared Basic Principles, since the 1970s,
were used to trace changes in the content of national-level policy paradigms. To investigate the interactive component of discourse, I analyzed how policy entrepreneurs employed and linked cognitive with normative ideas. Knesset (the Israeli Parliament) debates, legislative proposals, and policy documents were surveyed for the ideas introduced and the policy alternatives (re)framed in terms of cognitive or normative ideas. **Dependent variables:** An institutional analysis tracing changes in regulatory and policy regime components enabled operationalization and measurement of path-breaking change in the domain of higher education.

The remainder of this article is divided into four parts. First, in order to situate the reforms in Israel in a broader necessary context, the study of policy paradigms in the domain of higher education is briefly presented. Next presented is the analysis of the transformation of higher education in Israel. This is followed by an analysis of the reforms’ causes and an examination of their outcomes. A discussion of the findings closes.

### The Study of Policy Paradigms and Transformation of Higher Education in the Era of Globalization

This section briefly reviews the current state of research on policy paradigm shifts in higher education, providing the wider context to the study of paradigm shifts in Israeli higher education. The review will also help identify the parameters most relevant to our analysis.

The empirical study of policy paradigm shifts is a cornerstone of the effort to understand changes in the socioeconomic policies of many states—often attributed to the decline of the Keynesian paradigm (Campbell 2004; Hall 1993)—since the mid-1970s. The new policy paradigms promote market liberalization and privatization as the policy instruments for dealing with the competitive imperative in globalizing economies, a process accompanied by the transition from an industrial welfare state to what Cerny (1997) refers to as the competition state. While a major feature of the industrial welfare state was insulation of the national from the global economy, the competition state views incorporation of the national into the global economy as the essential ingredient for growth. These paradigm shifts have been reflected in higher education reforms internationally (Dill 1997; Dudley 1998; Henkel and Little 1998; Kogan 1998; Massimiliano 2004; Neave 2000).

During the last two decades, deep changes in state–university relations and a movement toward the market model have been witnessed in most European countries (Bleiklie, Roar, and Vabo 1999; King and Nash 2001; Kogan et al. 2000; Meek 2000; Neave 2000; Valimaa 1999; Zumeta 1998) as well as in non-Western economies such as Hong Kong and Taiwan (Mok 2002). The origins of these transformations have often been attributed to the broader paradigm shifts discussed above (Kogan et al. 2000; Massimiliano 2004; Neave 2000), with liberalization and privatization percolating through the higher education systems of most European countries since
the 1980s (Bach and Maassen 1993; Huisman 1996; Neave 2000; Williams 1997). At the same time, it has been argued that despite the greater reliance on market forces, governments tend toward greater involvement in policy-making in this domain (Dominelli and Hoogvelt 1996; Marginson 1997; Stone 1998; Teichler 1996). During the Thatcher period in the United Kingdom, for example, there was a shift from collegial-professional university governance, characterized by self-regulation, to state and market control, characterized by more direct state regulation (Kogan 1998). Many of the developments in the Israeli context echo, as I will show, more general trends observed in other countries.

The Present Study

Israel’s Higher Education System: The Pre-Reform Period, 1924–1990

Higher education in Israel was overwhelmingly public from the State’s establishment in 1948 until the 1990s. As of 1958, it has been regulated by the CHE, the sole body authorized to license academic degree-awarding institutions. Until 1990, the system was comprised of seven public research universities and the Open University, together with a few regional and specialized colleges, operating as extensions of the research universities. In addition, a few colleges, mainly for teacher training, provided postsecondary education and were regulated by the Ministry of Education (Yohev 2000). In terms of the effective regulatory regime (based on the Moran and Prosser 1994 typology), four major periods may be distinguished between 1924 and the early 2000 (Kadosh and Menahem 2000).

The first period, and from 1924 until 1958, was characterized by an independently self-regulated policy regime, resulting from the absence of a state apparatus in the pre-1948 period, a condition continuing throughout the State’s early years.


The Council for Higher Education Law was passed in 1958, following a lengthy debate between the government, which demanded more control, and the universities, which demanded autonomy (Klein 1998). The law authorized establishment of the CHE as the statutory body in charge of regulating higher education in Israel. The CHE was entrusted with the power necessary to function as the major institutional guarantor of the autonomy of higher education in Israel. Until 2001, the council was comprised of 25 members, the majority (17) of whom were prominent university professors.

Since the mid-1980s, the higher education budget has been allocated by the government in four-year lump sums, with the Planning and Budgeting Committee (PBC), as part of CHE, distributing those funds among the
individual institutions on the basis of criteria set by the CHE. As a result of these arrangements, a policy network emerged in which the universities enjoyed considerable autonomy in the formulation and implementation of higher education policy. The policy regime in Israel until the early 1990s could thus be described as a unitary and state-sanctioned self-regulation regime.

These features were shaped in the context of a policy paradigm marked by a collectivist worldview and a social-democratic welfare regime (Doron 2002), accompanied by intensely interventionist policies and high levels of government expenditure and public employment (Sharkansky 1987). By virtue of government regulation and subsidies, the economy enjoyed a high degree of monopoly power and protection from foreign competition (Shalev 1998). These basic economic policy parameters did not change dramatically during the initial years of the right-wing Likud’s control of the government during the 1980s. In the context of this paradigm, higher education was public and regulated by CHE (1983).

The 1980s: Failing Attempts to Reform Higher Education in the Context of the Prevailing Policy Paradigm. During the second half of the 1980s, severe pressure to expand the capacity of several disciplinary arenas, especially law studies, appeared in the wake of a dramatic increase in demand and after thousands of applicants were denied access to university programs.

At this point, it was first suggested that universities from abroad be allowed to establish extensions in Israel. A CHE subcommittee, headed by a former justice of Israel’s Supreme Court, declared in 1988 that any extension of a foreign university seeking to operate in Israel would have to conform to the academic demands and regulations the CHE imposed on Israeli institutions (CHE Subcommittee Report, August 21, 1988; Volansky 2005, 190–191). In another attempt to deal with the shortage of capacity, several Knesset members, among them a law professor, submitted a bill proposing establishment of an institution of higher education that would be funded by the Israeli Bar Association rather than the government.

The proposal rationalized the need for a nongovernment-funded institution by claiming the priority of individuals’ right to higher education in their chosen field over the value of maintaining a public education system. However, the sitting minister of education (then a Labor Party member) rejected this idea in favor of establishing new law faculties in public universities lacking such programs at the time (Subcommittee for Law and the Constitution, Minutes, No. 80, November 28, 1989). Members of the Knesset also demanded that should “privately funded” institutions be approved, their tuition would not exceed the tuition paid in the publicly funded institutions by more than 25% (Subcommittee for Law and the Constitution, Minutes, No. 127, March 27, 1990).

The proposed bill to establish privately funded colleges was eventually amended with Knesset insistence that the new law schools be nonprofit
institutions (Subcommittee for Law and the Constitution, *Minutes*, May 6, 1991 and May 15, 1991). It should be mentioned here that this amendment was introduced after a new government, headed by the right-wing Likud party, and a new minister of education had come to power in 1990.

Thus, despite the serious shortage of places in the universities during the 1980s, the government rejected privatization and upheld the CHE’s regulatory authority over the entire system, including those private institutions that might be established in the future (Subcommittee for Education, *Minutes*, June 16, 1990, 20).

This first phase of attempted reform, therefore, reflected the clash between two sets of ideas: the established paradigm, which viewed higher education as centrally planned and publicly provided by government, and the emerging but not institutionalized mix of cognitive ideas favoring nongovernmental policy solutions as well as normative ideas focusing on the individual’s right of access to his or her preferred type of education. The failure to introduce reform at this stage is especially instructive in view of the fact that its advocates, such as the Israel Bar Association, belonged to population segments having plentiful social, economic, and political resources, as well as the shift in power from left-wing Labor to right-wing Likud. We, therefore, suggest that it was the strength of the prevailing policy paradigm, with ideas corroborated by institutional arrangements that explain the failure to introduce reform at the end of the 1980s. It seems plausible that the normative component of the ideas (Schmidt 2008) referring to the individual’s right to study in a preferred field, offered to legitimate the suggested reforms, was still incapable of overcoming adherence to the idea of public education.

**Reforms in Higher Education since the 1990s**

What factors generated pressure for and shaped the next cycle of reforms in Israeli higher education, initiated in the 1990s? Following a presentation of the main features of the period’s reforms, this section focuses on the major building blocks constructing my explanation of the reforms achieved. It provides data regarding the demographic trends that led to growing demand for higher education, analyzes the paradigm shift that took place at the national level, and portrays the policy entrepreneurs and frames offered to advance options rooted in the emerging policy paradigm.

**1993–1998: Diversification, Privatization, and Internationalization**

From the early 1990s through 1998, Israel’s higher education system underwent three major structural transformations: diversification, privatization, and internationalization. These changes constitute the second phase of reform discussed here.
Diversification. In 1993, a new master plan for higher education was presented by the CHE and adopted by the government (CHE 1993; Government of Israel 1994 Resolution No. 3964, September 28, 1994). The plan recommended expanding the number of CHE-regulated academic public colleges (Amendment No. 10, Council for Higher Education Law 1995; Rubinstein 1993), which led to tripling the number of degree-granting public colleges.

Privatization. Concurrent with government adoption of CHE recommendations for establishing a new tier of public colleges, two additional reforms were introduced. The first permitted private institutions of higher education to operate. These institutions, although regulated by CHE, were ineligible for public financial support.

Internationalization. The second reform allowed foreign universities to establish and operate extensions in Israel. The extensions would be subject only to administrative—not academic—supervision by the CHE (Attorney General 1994). Internationalization added a third sector to the higher education system, one that was not locally regulated. The other two—a local public sector and a local private sector—remained under CHE control, which determined the rules of the game.

The entry of foreign extensions accounted for a significant share of the institutional expansion and diversification witnessed in Israel after 1994. By 1998, the extensions constituted roughly 45% of the institutions of higher education operating in Israel even though the majority was small, with enrollment not exceeding 10% of total national student population.

What explains the successful introduction of pathbreaking reforms in this period as opposed to the earlier period, when attempts at reform failed?

Explaining the Reforms of the 1990s

Changes in the Demand for Higher Education

The early 1990s witnessed a significant growth in the size of cohorts and in the number of young people eligible for higher education in Israel. This growth rested on natural population growth, reforms in the matriculation examination system, rising popular demands for higher education, and the influx of immigrants from the former Soviet Union.

Figure 1 shows the growth of the cohorts aged 20–24 years for the period 1990–2000. Notably, the size of the cohorts increased during this decade by approximately 42%. Figure 2 shows the increasing proportion of matriculants within the different cohorts. Beginning in 1989, Israel absorbed a wave of immigration from the former Soviet Union that resulted in a 20% increase in population by the mid-1990s (Sicron and Leshem 1998). For its part, the CHE expected the universities to
FIGURE 1
Population Aged 20–24 in 000s, 1990–2000

Source: Tamir (2002); computed from Central Bureau of Statistics publications, various years.

FIGURE 2
Percent of Matriculants from the Respected Age Group, 1987–1998

Source: Tamir (2002); computed from Central Bureau of Statistics publications, various years.
accommodate the growing demand until about 1996, after which actual demand for higher education was anticipated to exceed supply by about 5,000 applications annually. The excess demand was expected to be supplied by the new public colleges (Subcommittee for Education, Minutes, December 1992, 9–10). Taken together, these factors intensified the demand for higher education and put pressure on the system and its decision makers. Indeed, the CHE declared: “. . . the wave of immigration, and the increase in demands among the native-born Israeli population, led CHE to re-evaluate the issue of expanding undergraduate studies. The unexpected increase in demand for higher education led to the formulation of the 1993 new master plan” (CHE 1993).6

Israel’s Changing Political Economy and Policy Paradigms

Whereas the increased demand for higher education induced pressure for reform, which resulted in the plan for the expansion and diversification of the public colleges sector, I argue here that the turn to privatization and internationalization was in effect shaped by a shift in the dominant policy paradigm.

Since the late 1980s, Israel has been undergoing deep transformations of its leading policy paradigms, marked by economic liberalization, privatization, and deregulation. These changes in the conception of the state’s role are clearly visible in shifts in the basic principles guiding the government agenda, made public annually in the government’s “Basic Principles.” To quote from the 1969 document: “The government will act according to a comprehensive plan aimed at directing economic activity toward use of all production materials and resources for strengthening the economy” (authors’ emphasis, Israel Government Yearbook, Basic Principles 1969, 22–23). However, since the 1990s, the main trend has been adaptation to the international competitive economy and privatization, as stated in 1990: “Changing the structure of the economy in order to make it more competitive and, minimizing the public sector and government intervention” (Israel Government Yearbook, Basic Principles 1991, 13). By 1992, the Basic Principles included the statement that “the government will act in order to adapt the economy to management free of administrative limitations and governmental over-intervention in the economy” (Israel Government Yearbook, Basic Principles 1993, 12, item 7.4). The Basic Principles further stated that “the government will sell any economic enterprises it owns (item 7.5).” Indeed, since the 1990s, Israel has undergone a process of liberalization and privatization of major formerly government-owned enterprises (Levi-Faur 1999). Shalev (1998) has attributed Israel’s shift toward privatization and liberalization to its rapid entry into the market-driven global economy. The transformations observed in Israel’s higher education system since the 1990s can also be seen in this context.
Initiation of Pathbreaking Reforms: Ideas and Actors

A major role in advancing the new paradigm and shaping those reforms was played by policy entrepreneurs. The previously mentioned Knesset member who was appointed minister of education in 1993 by the Labor-led government, in referring to the previous attempts to advance reforms claimed that he

... support[s] free choice and object[s] to guilds. ... The model I follow is the British one. This model is revolutionary not in its socialist aspects but in its conservative ones. Margaret Thatcher initiated a reform regarding the Polytechnics and established a parallel Council for Higher Education for these bodies, some of which are extra-budgetary institutions. This reform is the greatest success in the British system since WW2. (Parliamentary Commission for Education, Minutes, June 18, 1990, 20)

In justifying internationalization of the Israeli system by means of foreign extensions, two separate reasons were provided by the minister:

... there are great advantages in the introduction of universities from abroad, both as a response to demand but also as a standard to be set before the academic establishment regarding management and progress of the Israeli system. ... (Parliamentary Commission for Education, Minutes, session regarding Amendment No. 11, Council for Higher Education Law, November 27, 1995, 796)

The decision permitting the entry of foreign extensions was also portrayed in terms parallel to changes in Israel’s tax barrier regime:

... for the same reason that we eliminated import taxes, we want to remove the barriers [placed by] the local monopoly [in higher education]. (Subcommittee for Higher Education, Minutes, November 27, 1995, 796)

Following Schmidt (2008), I suggest that the policy entrepreneurs successfully linked cognitive ideas dealing with policy solutions—“what to do” recipes (i.e., adoption of reforms similar to those found to be successful in the United Kingdom)—with normative ideas dealing with what is appropriate and legitimate in terms of values (e.g., promoting innovation, breaking up monopolies).

I claim that two characteristics of policy entrepreneurs contributed to the successful linkage: The first refers to Cox’s (2001) claim that path-shaping, as an operative project, requires rhetorical strategies. Within this rhetoric, Israeli universities were portrayed as economic actors creating monopolies that have to be restrained on the one hand and foreign extensions as offering new standards to serve as models on the other hand. I further claim that in order to gain acceptance for this image of Israel’s higher education, which negated its long-established superior image, policy entrepreneurs had to exhibit specific qualities. I propose calling these qualities “apparent virtues,” a concept referring in the present case to the policy entrepreneurs’ high prestige and seeming detachment from any material or other personal interests with respect to the proposed
reforms. Evidence that these apparent virtues were part of the discourse can be seen in a statement made by the chairman of the Knesset Committee on Education several years later, when justifying the reforms, “. . . regarding the amendment to the Higher Education Law, an honorable man with many credentials and reputation was before us . . . a university professor indeed started the reforms we are now introducing” (Committee on Education, Minutes, No. 279, March 16, 1999).

The combination of these factors helped unlock the “cognitive lock” protecting Israel’s higher education to the new ideas. Most salient is the apparent advantage of the market over government and the erosion of the policy idea advocating insulation of strategic domestic industries—including higher education—from international competition. Instead, the new vision recommends privatization and the import of foreign institutions of higher education, a perspective congruent with a competition state (Cerny 1997). Combined, these visions attest to the policy paradigm shift underway, not yet embedded in the institutional arrangements of higher education’s regulation regime nor incorporated into the existing policy regime. Hence, the idea’s impact on policy should be viewed not as residual but as an independent factor.

Results of the 1993–1998 Reforms

Increased Access to Higher Education

Between 1990 and 2000, the number of students in Israeli higher education institutions of all types more than doubled, from about 74,000 to about 185,000. An important outcome of the expansion of the system was thus the significant increase in access to higher education. Figure 3 illustrates the changes in the gross enrollment rate of first-year students in colleges and universities among the 20- to 24-year-old cohort during the academic years 1990–2000. As shown in the figure, the gross enrollment rate of this cohort in universities and colleges grew from 22.9% in 1991 to 36.1% in 2000. These figures show that the system not only responded to the growing size of the cohorts, it also increased by about 50% real opportunities for higher education (Shavit et al. 2007; Tamir 2002). As a result, about 90% of those eligible by virtue of matriculation diplomas were, in fact, enrolled in an institution of higher education. Moreover, institutional capacity began to exceed the number of applicants (Volansky 2005, 178). Figure 4 presents the growth in numbers of undergraduate students and the change in the distribution of undergraduate students by type of institution in the years 1986–2000, following the reforms discussed above.


As previously discussed, following the 1958 enactment of the CHE law and through the 1990s, the regulatory regime in higher education could be
characterized as unitary and state-sanctioned self-regulation. However, establishment of public colleges and private institutions, together with introduction of the new international sector in the early 1990s, segmented the former unitary regulatory regime into three sub-regimes: the fully regulated public sector, the academically regulated Israeli private sector, and the deregulated international sector. In 1998, the law was again amended to authorize regulation of the foreign extensions (Amendment 11 to the Council for Higher Education Law). “The Extensions Act,” as it became to be known, introduced regulation by stating that a license issued by the CHE was required for the operation of the foreign extensions. The terms for licensing, as stipulated in the amendment, reflect a tendency to tighten the academic links connecting the overseas parent institutions with their extensions. At the same time, however, the new regulations also forced the extensions to be more attuned to Israeli standards. While the amendment did not award the CHE with academic authority over the foreign extensions, limiting its role to administrative oversight, it did lead to a considerable decrease in the number of extensions operating in the 2000s.

Any evaluation of the reforms of the 1990s should stress their two-pronged hallmark: On the one hand, official recognition was offered to the new higher education sectors created by the reforms enacted in the early 1990s. On the other hand, the new reforms retained the long-standing arrangements enjoyed by the autonomous public universities and the superior status of the public research universities as reflected in

FIGURE 3
Undergraduate Students in the Israeli Higher Education System by Type of Sector and Year

![Graph showing the number of undergraduate students in different sectors from 1990/1 to 1999/00.]

Source: Tamir (2002).
FIGURE 4
Change in the Distribution of Entering Undergraduate Students by Type of Institution, 1986–2000


the CHE’s composition. However, in the early 2000s, these arrangements and the supremacy of the public research universities were once more questioned as the government initiated another set of reforms, as discussed next.

The Third Phase of Reform: Transforming the Policy Regime in Higher Education—The Early 2000s

The reforms enacted in the early 2000s were not meant to expand the public university system. On the contrary, the government’s declared policy was to develop the other sectors of the higher education system and to reduce the proportion of undergraduates enrolled in the public universities (CHE 2006). I argue that the main thrust of the reforms enacted in the early 2000s was ideational, aimed at altering the sector’s policy regime.

Three major bones of contention led to clashes between the universities and the government. The first conflict concerned the CHE’s composition. The new minister of education, who took office after the 1999 elections, was determined to reduce the number of university professors sitting on the CHE in favor of increased representation of the public colleges, private institutions, and foreign extensions. In a letter to the influential daily newspaper *Haaretz*, entitled “The End of the Academic Cartel,” the minister asserted:
For years, the universities have operated like a commercial cartel, protecting the interests of one social stratum . . . the academic cartel took every possible step to delay the reform . . . the closed cartel of the universities has become cut off from the public it is supposed to serve. (Haaretz, January 6, 2002)

In effect, the minister argued that the CHE should represent the changing structure of higher education in Israel. The universities countered that the CHE was not a representative body; it was responsible for the quality of academic teaching and research in Israel and, therefore, should be composed mainly of leading university professors. The presidents of the universities threatened that their institutions would resign from the CHE if the proposed changes were implemented (Raly Saar, Haaretz, January 10, 2002, b-4; Raly Saar, January 31, 2002, a-3; Editorial, February 1, 2002, b-1). The debate attracted wide public attention, daily media coverage, Knesset involvement, and widespread mobilization of academics (Haaretz, Editorial, January 8, 2002, b-1; Gideon Dagan, Haaretz, January 20, 2002, b-2; Orna Kazin, Haaretz, January 10, 2002, d-1). However, the minister prevailed; in the newly assembled CHE in 2002, university representatives lost their majority, with a decline in number from 17 to 12 out of the Council’s 25 members. The universities feared they would now be facing greater government intervention and threats to their autonomy (Raly Saar, Haaretz January 31, 2002, a-4).

Indeed, later developments seemed to confirm these concerns. One major example involved the universities’ long-standing autonomous control over admissions criteria. In September 2001, the minister of finance proposed a government resolution to abolish the traditional tool for university selection, the nationwide psychometric aptitude test. To take its place, he suggested entitling all high school graduates holding matriculation diplomas to enroll in first-year courses in disciplines of their choice (excluding the costliest, such as medicine). The universities opposed the draft resolution on the grounds that it represented a threat to their sovereignty and academic independence (at the time, each university’s senate had the authority to autonomously determine its own admission requirements for the different disciplines) (Inter-Senate Committee, March 3, 2002; March 17, 2002). Following the debate, the resolution was revised to offer students the option of being evaluated on the basis of the aptitude test, although it barred the universities from making this a requirement for admission.

Concurrently, the government imposed sharp cuts in the higher education budget. During 2000–2003, government allocations were cut by about 20%, plunging the universities into a deep financial crisis (CHE 2006). With this action, the enduring arrangement of five-year government university allocations that had been a cornerstone of university autonomy was shattered. As the financing agreement for the years 1997–2001 came to an end, no new agreement was signed due to another dispute that erupted between the universities and the government over the issue of university governance. During 2002, 2003, and 2004, the PBC was required to nego-
tiate its budget annually with the Ministry of Finance. A new five-year budget was agreed upon only in July 2004, on the condition that the universities revise their organizational structure and governance regime. Among the features affected was the relationship between the president and the rector. Also required was introduction of a budgetary stabilization program and efficiency-enhanced measures (the entire plan became known as the Maltz Report; see CHE (2005); Ministry of Finance; Budget 2005, Higher Education, 15).

These debates over university governance are to be seen in the context of the transformation of the relationship between the state and the higher education system, that is, the emergence of a new policy paradigm and the attempt to institutionalize a new policy regime for the sector. Several features characterize the changes. First, I can observe a shift away from the former state-sanctioned self-regulation arrangement and collegial-professional governance within each institution that granted the universities relatively high autonomy vis-à-vis the government. Second, the new regime is one in which market forces play a more significant role albeit coupled with increasing state intervention in the form of direct regulation. Third, the former closed-policy network characterizing higher education is also undergoing deep changes, with the government pushing for inclusion of the new public and private institutions as well as curtailment of the public research universities’ superior status within the system. Fourth, the government is pushing for deep changes in the mode of governance that has so far characterized the public research university sector. Taken in conjunction, these reforms institutionalize the ideas associated with the new policy paradigms.

As described above, the third phase, starting in 2000, began in an environment colored by the new emerging policy paradigm; it was characterized by the detachment of reforms from the original demographic pressures. My quantitative analysis showed that as a result of the previous wave of reforms (1993–1998), the supply of higher education in Israel had caught up with and even exceeded demand.7 The main drive for change at this stage was therefore ideational, aimed at institutionalizing new regulatory and policy regimes in accordance with the emerging policy paradigm. Within the framework of this new policy regime, the government, while placing greater reliance on market forces, nonetheless increased its involvement in the governance of the public universities. Similar conclusions have arisen from findings obtained in other countries (Marginson 1997; Stone 1998).

Discussion and Conclusions

This study has focused on the role of ideas as independent and endogenous factors explaining pathbreaking policy reforms. In view of the radical changes taking place in the higher education systems of many countries over the last decade (Goldfinch 2006; Kogan 1998; Mok 2002;
Neave 2000; Teichler 1996), an examination of questions regarding the factors explaining and shaping pathbreaking policy change is of special interest.

Couched in terms of the discursive variant of institutionalism and the wide literature seeking to substantiate the endogenous role of ideational factors in policy change, the current research integrates institutional and actor-centered analysis, that is, it combines structure and agency in order to address questions regarding the role of ideas in policy change. Several features of the analysis support its potential for advancing the discursive institutional approach.

First, the research incorporates detailed examinations of several sets of factors, a strategy that facilitates construction of a comprehensive analysis of the roles that each type of factors played in the process of policy change. It investigates institutional dimensions by means of paradigms, policy regimes, and regulation regimes. This allows us to deal with what Peters, Pierre, and King (2005) identified as the conceptual and measurement problem characterizing the current study of change—insufficient clarity with respect to the definition and measurement of the dependent variables comprising pathbreaking policy change.

A quantitative analysis of changes in the size of cohorts of students and the capacity of universities to absorb these cohorts is used to assess the intensity of the changes in external factors related to demand for higher education.

Third, the study offers an analysis of ideas on two levels: On the societal level, it analyzes established and emerging paradigms, specifically, Israel’s transformation from an industrial welfare state to a globalized competition state. On the social actor level, it analyzes cognitive and normative ideas, as employed in the discourse on higher education and conveyed by policy entrepreneurs. When combined, these dimensions and levels of analysis allow us to portray the complex relationships between external factors, ideational factors, institutions, and actors in greater depth.

The findings show, first, that ideas matter. While external factors—in the Israeli case, major waves of immigration—exerted pressure for change, the trajectory, options preferred, scope, and targets of change were in effect shaped primarily by ideational factors.

Furthermore, the depiction of three distinctive phases of reform, each characterized by a different relationship between the institutionalized paradigm’s strength, the new ideas, the nature of the external pressures, and the specific reforms that took place enabled us to throw further light on how ideational factors independently explain policy change, an issue little dealt with in the research literature (Blyth 1997; Schmidt 2008; Skogstad 1998). The findings show that ideational factors may not only impact on choice of policy instruments in response to external factors but also become independent factors driving policy change even without external factors demanding such change.
Turning to the actor-centered dimension, the analysis points to the role of policy entrepreneurs—as idea carriers—in promoting policy change. One crucial function of these actors is amalgamation of the cognitive and prescriptive ideas of “what to do” with ideas designating the normative appropriateness of the proposed course of action (Schmidt 2008). In the Israeli case, policy entrepreneurs, using rhetorical means, altered the formerly favorable image of higher education institutions by casting them as simply economic actors, a transformation that legitimized public treatment of them as such.

By combining the findings, I am able to offer a more comprehensive argument that bridges the institutional and actor-centered dimensions as presented in this article’s fourth argument. Ideational factors can verily play different roles in policy change, implying that they shape change in different modes. As institutionalized policy paradigms, they can effectively lock out (Blyth 2001) changes that reflect new ideas. As new ideas carried by policy entrepreneurs, they can operate as independent factors influencing the direction of policy change. Hence, ideas may prevent, facilitate, or become sources for change.

The Israeli case demonstrates three variations in the relationship between external pressures for change, ideational factors, policy entrepreneurs, and policy change: The first phase of attempted reform, entailing advocacy of the entry of private institutions of higher education, was based on the extolled priority of an individual’s right to higher education. Although supported by powerful social groups, these normative ideas, in the overall ideological context of the 1980s, proved to be too weak to support privatization, to unlock the “cognitive locks” (Blyth 2001) inherent in the prevailing paradigm.

In the second period, in view of the intensifying external pressures, policy entrepreneurs managed to successfully link privatization as a policy solution to internationalization, representing normative concepts turning on the need to combat monopolies and the framing of universities as economic actors. I argue that, at this point, the Israeli case suggests that for new normative ideas to gain acceptance, especially when they negate long-established and positively viewed conceptions—as was the idea of public universities in Israel—it is essential that policy entrepreneurs be equipped with those special properties I call “apparent virtues.” Without them, it is difficult for these actors to apply a patina of acceptability and legitimacy to new normative ideas. Such properties may be as essential as political power or official authority.

Third, as the new ideas crystallize into an alternative policy paradigm successfully incorporating normative as well as cognitive ideas, ideational factors may become the main forces driving further reforms meant to install a new policy regime. As such, these ideas become independent factors in the initiation of policy change. The third phase of the reforms in Israel was indeed marked by features that facilitated the identification of ideas as independent factors: No objectively measured exter-
nal demographic pressures were observed, nor were such pressures mentioned during the associated debates. Instead, ideas came to dominate the reform platform with an agenda targeted at those core normative components—such as the supremacy of the public research universities—left intact by previous phases of reform. I argue that, at this phase, after new normative ideas had already gained acceptance and the cognitive locks had been unlocked, policy entrepreneurs may rely mainly on formal authority.

An actor-centered analysis, therefore, brings to the fore the role of policy entrepreneurs by showing that the contributions they make cannot be overestimated. Ideas as exogenous sources of change did not “float about” (Blyth 2003) but were carried by policy entrepreneurs who used rhetorical strategies (Cox 2001) to reframe higher education as an economic arena and grant legitimacy to the new normative ideas.

The study has shown that the approach adopted in this study, which integrates institutional and actor-level approaches to shed more light on the dynamics of policy change, is a productive strategy. At the same time, it showed that a mixed research design does enable consideration of the various factors and relationships involved in policy change. My findings regarding the Israeli case consequently offer theoretical and methodological contributions to the study of ideas as salient factors in policy change.

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Notes

1. For example, in surveys of public trust in public institutions in Israel, universities and university professors have been positioned in the highest category of trust, together with High Court justices and Israeli army officers (Vigoda and Yuval 2002).

2. The Likud was in power from 1977 until 1992; afterwards, Labor and Likud governments replaced one another approximately every two years.

3. Estimates show that about 10,000 Israeli citizens sought to study abroad during each of those years (Har-Zahav and Medina 1999, 179); see also: S. Herskowitz, 1997, The Higher Education System in Israel—Trends and Developments: A Statistical Report pp. 65–66). In further discussions in the Knesset Subcommittee for Law and the Constitution, it was estimated that in order to meet the demand, it was necessary to add about 2,500 to 4,000 vacancies (Subcommittee for Law and the Constitution, Minutes, No. 80, November 28, 1989).

4. We should note that the law professor who headed the group, a very influential Knesset member, was to serve later as minister of education representing a party with a leftist political and economic agenda (Meretz), although he personally had previously headed a party espousing a liberal economic platform (Shinui).
5. Israeli lawyers were also looking for ways to facilitate access to legal studies by young relatives. Many of those unable to enter an Israeli law school chose to study abroad, primarily in the United Kingdom.
6. All translations from the Hebrew were performed by the author.
7. Although the percentage of cohorts entering higher education in Israel is lower than in the USA and many Western European countries, the main obstacle to entry is the low percentage of matriculation diploma holders, required for admission to the universities.

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