



**GOVERNANCE REFORM  
PART ONE**

**The extent and impact of higher education  
governance reform across Europe**

**Final report to the Directorate-General for Education  
and Culture of the European Commission**

Contract: 2006 – 1407 / 001 – 001 S02-81AWB

**Part One: Comparative Analysis and Executive Summary**



*This study was requested by the European Commission, Directorate-General Education and Culture. This report does not reflect the views of the European Commission. The interpretations and opinions contained in it are solely those of the authors*

Center for Higher Education Policy Studies (CHEPS)  
University of Twente  
P.O. Box 217  
7500 AE Enschede  
The Netherlands

T +31 – 53 – 489 3263  
F +31 – 53 – 434 0392  
W [www.utwente.nl/cheps](http://www.utwente.nl/cheps)  
E [j.m.file@utwente.nl](mailto:j.m.file@utwente.nl)

# The extent and impact of higher education governance reform across Europe

Final report to the Directorate-General for Education and Culture  
of the European Commission

## STRUCTURE OF THE REPORT

The report is divided into four parts, each of which is submitted as  
a separate volume

Part One

**Comparative Analysis and Executive Summary**

Part Two

**Summaries of the Quick Scan Surveys on  
governance reform in 32 European countries**

Part Three

**Five case studies on governance reform**

Part Four

**Governance Reform Survey Results**



# Governance reform project team

## Project leaders

Prof. Jürgen Enders	CHEPS
Jon File	CHEPS

## Senior Experts

Prof. Frans van Vught	CHEPS
Marc Durando	EUN Partnership, Brussels

## Senior Advisors

Prof. Jaak Aaviksoo	University of Tartu
Prof. Guy Neave	CHEPS
Prof. Pavel Zgaga	University of Ljubljana

## Research Team

### Research co-ordinator

Dr. Björn Stensaker	NIFU-STEP
---------------------	-----------

### Researchers

Dr. Harry de Boer	CHEPS
Frans Kaiser	CHEPS
Dr. Ingvild Marheim Larsen	NIFU-STEP
Prof. Peter Maassen	University of Oslo/NIFU-STEP
Dr. Sigrun Nickel	CHE
Dr. Hans Vossensteyn	CHEPS
Prof. Frank Ziegele	CHE

## National Correspondents

### ESMU/HUMANE Network

#### Coordinators

Nadine Burquel	ESMU
Ruth Walther	ESMU

Austria	Prof. Hans Pechar, IFF Hochschulforschung
---------	---

Belgium (VL)	Prof. Luc Francois, Universiteit Gent
--------------	---------------------------------------

Belgium (French Community)	Prof. Anne-Marie Kumps, Université Catholique de Louvain
----------------------------	--

Bulgaria	Prof. Marko Todorov, University of Rousse
----------	---

Croatia	Prof. Ivan Vickovic and Prof. Vlasta Vizek Vidovic, University of Zagreb
---------	--

Cyprus	Andreas Christofides, University of Cyprus
Czech Republic	Helena Šebková, Centre for Higher Education Studies
Denmark	Prof. Bente Kristensen, Copenhagen Business School
Estonia	Aune Valk, University of Tartu
Finland	Dr. Liisa Savunen and Hanna Manner, Finnish council of university rectors
France	Yves Chaimbault, Université des Sciences et Technologies de Lille 1
Germany	Prof. Peter Mayer, FH Osnabrück
Greece	Antigoni Papadimitriou, Aristotle University Foteini Asderaki, Ministry of Education and Religious Affairs
Hungary	Prof. György Bazsa, University of Debrecen
Iceland	Prof. Jón Torfi Jónasson, University of Iceland
Ireland	Dr. Ellen Hazelkorn, Dublin Institute of Technology
Italy	Dr. Pasquale Mastrodomenico, Cristina Conti and Barbara Rosetta, Università degli Studi del Piemonte Orientale "Amedeo Avogadro" Lara Gadda, Polytechnic of Milan
Latvia	Jānis Stonis, University of Latvia
Liechtenstein	Christoph Jenny and Helmut Konrad, Ministry of Education Marion Steffens, Hochschule Liechtenstein
Lithuania	Prof. Birutė Pociūtė, Vilnius University
Luxembourg	Prof. Lucien Kerger, Université du Luxembourg
Malta	Prof. Peter Mayo, University of Malta
Netherlands	Christiaan van den Berg, Association of Universities in the Netherlands
Norway	Bjørn Berg, Norwegian Association for Researchers
Poland	Barbara Godlewska-Bujok, Warsaw University
Portugal	Dr. Luísa Cerdeira, Universidade de Lisboa
Romania	Prof. Adrian Miroiu, National School of Political Studies and Public Administration
Slovakia	Jozef Jurkovic, Ministry of Education
Slovenia	Dr. Nada Trunk Širca and Alen Balde, University of Primorska
Spain	Dr. Rafael Zorrilla, Universidad Carlos III de Madrid

Sweden	John Fürstenbach, Royal University College of Music in Stockholm
Turkey	Prof. Cem Alptekin, Bogazici University
United Kingdom	Prof. George Gordon, University of Strathclyde

## **Research and Administrative Support**

Maya van de Berg	CHEPS
Jarno Deen	CHEPS
Andrea Kottmann	CHEPS
Aleksandra Kovaç	CHEPS
Liudvika Leisyte	CHEPS
Arend Zomer	CHEPS
Dr. Ase Gornitzka	NIFU-STEP
Aris Kaloudis	NIFU-STEP
Vibeke Opheim	NIFU-STEP
Nils Henrik Solum	NIFU-STEP
Marlies Golbach	CHEPS
Gillian Luisman	CHEPS
Karin van der Tuin	CHEPS
Tanja Ologe	CHE

## **On-line survey management**

Paul Greim	Interface, Kassel
------------	-------------------



# Comparative analysis on governance reform in European higher education<sup>1</sup>

## 1. Introduction<sup>2</sup>

European higher education is no stranger to change; for the better part of two decades the sector has been included in the much broader Western and Eastern European reforms (Neave 1988, Pollitt and Bouchaert 2000). Since the late-1990s though the rate of change has accelerated to unprecedented levels, largely on the shoulders of three key developments: the Sorbonne and Bologna Declarations (1998, 1999), whose objectives are to make study programmes more compatible across European systems and the Lisbon Strategy (2000), which seeks to reform the continent's still fragmented systems into a more powerful and more integrated, knowledge-based economy. Subsequent communications from European policymakers have underlined that higher education institutions will be crucial to Europe's future well-being and, in effect, the lynchpin that bind these major processes and strategies together.

The Bologna Process aimed to establish a European 'Higher Education Area' by 2010. While undersigning countries originally interpreted the Declaration in their own ways, the process rapidly achieved a dynamic towards a broader focus and outreach. Focusing at first on reforming study programmes into the two-cycle 'bachelor-master' structure, soon concerns about comparability pushed quality assurance and accreditation and degree recognition firmly into the picture as the Berlin communiqué (2003) attests to. Bologna's perspective broadened in Berlin with the inclusion of the third phase (Ph.D.) and did so again in Bergen (2005) through the explicit mentioning of 'the importance of higher education in further enhancing research and the importance of research in underpinning higher education for the economic and cultural development of our societies and for social cohesion.' By 2005, Bologna's reach had finally crossed the Lisbon Strategy, at least for the 25-member European Union.

In March 2000 the European Union committed itself in Lisbon to the ambitious objective of becoming 'the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.' European policymakers' intentions took on a more concrete form in 2003 when the goal of raising EU-countries' investments in R&D to 3% of GDP was outlined in Barcelona. However, several years of lagging progress forced policymakers to essentially restart the process by refocusing on broader economic growth and innovation.

It was in this new phase that the role universities could play in the new knowledge-based economy began to attract further attention: 'Europe must strengthen the three poles of its knowledge triangle: education, research and innovation. Universities are essential in all three' (COM 2005: 152). The situation, as the Commission summarised it, was not good: Governments were finding it increasingly difficult to match the rising costs of science and providing quality education. Given higher education systems' strong dependence on public funding, the situation was only worsening: 'low enrolment rates ... unmet demand, a failure to prepare students for the European labour market, too few jobs for teachers/researchers or difficulties in attracting and retaining top talent' were becoming the all-too-clear signs that the core infrastructure of Europe's knowledge economy was in disarray. Adjusting and modernizing the governance arrangements in the sector is in this situation seen as an important topic in the realization of the Lisbon Agenda.

It should, however, also be emphasized that the Bologna Declaration and Lisbon Agenda have not been the only influences changing European higher education institutions. In many (West European)

---

<sup>1</sup> This part of the report was written by Bjørn Stensaker, Jürgen Enders and Harry de Boer

<sup>2</sup> An executive summary can be found on pages 34-38

countries a series of reforms already were underway in the 1980s and many current reform initiatives have their origin in this time period. The changing role of the state vis-à-vis higher education institutions (i.e. in the form of enhancing institutional autonomy and stressing quality assurance and accountability) are well-known themes of the last two decades. This has convincingly been put forward in Neave's (1988) article on the rise of the evaluative state and further analysis of higher education policy in comparative perspectives (Goedegebuure et al. 1994), OECD studies such as their Education Policy Analysis 2003, or Eurydice's 2000 study on two decades of higher education reform.<sup>3</sup> These 'early' reforms cover many different areas including the structure of higher education, management and control, financing, quality control and evaluation, course planning, access, student financial aid, internationalization, and teaching and assessment (See Eurydice 2000). In this respect, it can be said that European higher education has endured a long wave of reform (Haug and Kirstein 1999).

Interestingly, one might argue that this first wave of reform is the target for the second wave of reforms in which the Bologna process and Lisbon agenda are central elements. As Reichert and Tauch (2005) rightly argue in their *Trends IV*, 'The reform wave in European higher education seems to go even further and deeper than the Bologna reforms themselves. In some countries 'Bologna' is used to introduce reforms that are actually not part of the Bologna process. Many higher education acts were established in the 1980s and the 1990s. Since then they have been updated, while the Bologna process has been used as a form of 'spring cleaning'.

Thus, along with the Bologna process and the Lisbon Agenda higher education has for years seen the introduction of more market-type mechanisms and modern types of governance. Keywords like accountability and concepts like New Public Management or network governance ('state supervision', 'the evaluative state') are gradually replacing the traditional focus on state control and academic collegial governance. State control is giving way to more self-management in the name of efficiency and responsiveness to society's diverse needs. Institutions are being encouraged to increase their capacity and willingness to become engaged in the production of useful knowledge (Schimank, Kehm and Enders 1999). Through competition and greater institutional autonomy higher education institutions are being driven to become more sensitive to their varied consumers' demands for relevance. State oversight is evolving into sometimes elaborate systems of incentives and sanctions that allow governments to continue utilizing their higher education sectors by 'steering from a distance'.

The changes occurring today represent, in part, an effort to redress 'government failures' (Wolf, 1993) of the past. At the same time, the pace and reach of the changes now taking place raise the distinct possibility that policymakers are fixing one problem by creating another. Markets breed 'market failures' and economists are quick to point out that universities are fundamentally different from the textbook firms that shape standard theories (Winston, 1999). If Europe is to succeed in its efforts to create both a Higher Education and Research Area that will drive its economy in the years ahead then striking a balance between these extremes will be crucial. However, before governance policies can be fine-tuned, a better understanding of the magnitude and success (or failure) of the changes now occurring is first in order.

This is increasingly difficult as the new modes of governing are distinct from the traditional hierarchical control model (Maassen 2006). In a number of countries new cooperative modes are developing where state and non-state actors participate in mixed networks (Enders 2004: 372). A further issue is related to the essential characteristics of the higher education sector and its

---

<sup>3</sup> According to the Eurydice 2000 study 'Two decades of reform in higher education in Europe: 1980 onwards', One of the most significant reforms observed has been the increased autonomy given to higher education institutions, especially universities, in most European countries and the move away from the 'interventionary state' towards a more 'facilitatory state' in the terminology of Neave and Van Vught (1991). This process has often entailed the releasing of higher education institutions from detailed control through legislation by giving them the right to pass their own statutes in the broadening area over which they have autonomy.

professional organizations. While governance arrangements usually emphasize formal structure, bodies and decision-making structures, the governance of higher education institutions is still strongly influenced by informal networks, collegial agreements and more process-oriented decision-making structures (Gornitzka, Kogan and Amaral 2005). In this way governance and the academic culture are tightly interwoven in a complex web of interactions and effects. The latter point is probably a key to understand the effectiveness of governance arrangements in higher education. Since teaching, research and knowledge transfer are dependent on the academic staff, a key issue of governance is to create institutional conditions stimulating the creativity of the professionals (EU 2005). Governance is in this perspective about identifying the institutional structures and processes that create optimal conditions for staff performance.

The consequences of the (recent) governance reforms on performance are not yet clear. The aim of the analysis presented in the following overview is thus limited to a closer investigation of the following two issues:

- How and by what means have national governance frameworks changed? What are the major themes and developments?
- How and by what means has the autonomy of higher education institutions and professional leadership changed? What are the major themes and developments?

Finally, we will reflect on the possible links between ('good') governance arrangements and system performance.

## *1.2. Data and methodology*

Basically, this study has drawn on three different sets of data:

- 32 national reports on recent changes in governance arrangements;
- 5 in-depth case studies of national frameworks for and institutional governance arrangements of higher education institutions; and
- a web-based survey conducted among institutions participating in the Socrates/Erasmus network.

Further desk research, literature review and consultation with experts in the field have been undertaken. This approach has provided us with very updated, and to some extent, comparable information on recent changes in the various countries.

By triangulating the data sets, they can provide us with substantive information on the developments of European higher education in those areas where they all point in the same direction, or address the same phenomenon. Two types of triangulation have been applied in this study: 1) methodological triangulation that relates to the fact that different approaches have been used to collect and analyse data. 2) observer triangulation that relates to the fact that different informants have been approached for each data set. This coherent methodological design increases both the validity and reliability of the study (Kirk & Miller 1986).

First, while the national reports are mainly dependent on single authors and their perception of the changes going on, survey data and other available information (e.g., Eurydice updates) have been used as a 'check' on the national reports. Second, the in-depth case studies were mainly based on short study visits by members of the research team. This information was gathered through and discussed with domestic experts in the field, and by relating the findings to other available research studies (national survey data or special research projects on governance) on the selected countries. Given the time constraints of the project, this approach still has some limitations in terms of the completeness and adequacy of the data gathered and cross-checked. In particular the web-based survey suffers from an insufficient response rate. An extension of the web-based survey beyond the deadline of the project improved the response rate, although the final result is still insufficient for isolated generalisations. In this report, identified general trends are as a consequence, always based on several sources of information and data.

## 2. How and by what means have national governance frameworks changed?

The European university landscape is primarily organized at the national and regional levels and is characterized by a high degree of heterogeneity that is reflected in its organization, governance and operating conditions. From a bird's eye view, re-regulation in the form of enhancing institutional autonomy has certainly been one of the overarching governance trends in European higher education over the last two decades (Maassen and Stensaker 2003). The analysis shows, at the same time, that institutional autonomy is a highly contested concept and has many faces (de Boer 2006). For universities in the UK, for example, deregulation of authority and responsibility has often been less of an issue because of the autonomy traditionally granted to the institutions. This does, however, not mean that increasing leadership and management capacity in a changing environment is not an important factor. For universities and other higher education providers on the continent, freedom from traditional governmental rules and regulations that limit organizational capacities for self-steering and responsiveness has become more of an issue due to deregulation and increasing competition (de Boer, Enders and Schimank 2006; Kehm and Lanzendorf 2006).

A number of case studies suggest that such a process begins with the adoption of lump sum funding, the elimination of state control over contracting and access to capital markets and the delegation of authority over ownership of building and capital assets (Laske, Lederbauer, Loacker and Meister-Scheytt 2006; Nickel, Witte and Ziegele 2006). Delegation of authority over personnel matters is a more controversial issue as are regulations affecting the design and delivery of academic programs or the institutional capacity to select students or to set tuition fees. In some countries 'autonomy' has a different meaning because authority has been delegated to the individual faculties more than to the institutions. In section 3 most of these issues will be dealt with from the perspective of institutional autonomy.

Generally speaking, the state's new role may be termed "facilitative" as it attempts to create a viable higher education environment in which it controls the outcomes at a systems level without detailed interference. But here again, new steering devices have been introduced for which output funding and multi-year agreements with the (individual) higher education institutions provide illustrative examples. In effect, governments are not withdrawing from responsibility for higher education systems but are in search for new means of system oversight and performance-based steering of organizations. In some countries one can speak of the state as the 'market engineer' while emerging 'quasi-markets' still vary a lot in their degree of competition and the extent to which they are regulated by government. For example, the provision of continuing education or academic consultancy activities is largely unregulated in most countries because these activities are not perceived as academic core business. Traditional academic programs and degrees are often still subject to governmental regulation and access to this market is frequently controlled by state authorities or authorities delegated with this responsibility. Competition on the research market is promoted by moving away from the tradition of institution-based research funding towards performance-based funding, and the competitive funding of research projects through research councils or agencies at the national and international level.

Responsibilities that were formerly those of the state have thus not only been transferred to higher education institutions but also to other organizations such as research councils, accreditation bodies etc. New actors at the national level (e.g. ministries of economic affairs) and regional level are entering the higher education scene, especially given their interest in the emerging knowledge society and technology transfer. In this respect the state's role becomes one of a network manager ('steering through networks') and new regimes of governance emerge: we now see a more multi-actor, multi-level governance framework emerging in a number of countries. Within this context, five interrelated themes can be identified when comparing the national reports, the case studies and the survey data from a bottom-up institutional perspective: multi-vocal governance in higher education, growing competition, new funding arrangements, shifts in the internal governance of higher education institutions, and quality assurance infusing the institutional level.

## 2.1. *Higher education institutions in a multi-vocal governance environment*

The first theme identified is that higher education institutions as actors have gained in importance in the steering of the system. The rise of the university as a managed organisation reflects not only the growing influence of institutional leadership within the organisation (see also section 3) but also the role of universities as key actors in national higher education policy. This often means a decrease in direct governmental interference in higher education in certain areas matched by attempts to strengthen institutional autonomy accordingly. At the same time, governmental reform efforts may imply even stronger state regulation than in the past, and not only a process of transmitting responsibility from the system to the institutional level.

This is illustrated in Table 1 which indicates that according to more than 750 respondents across Europe governmental influence on national higher education policy has not decreased but increased. Delegation of responsibility from governments/ministries of education does not imply a less influential role of government as perceived by the respondents. Denmark exemplifies one aspect of this development: the ‘contractualisation’ of relationships between government and the higher education institutions. The establishment of ‘development contracts’ between the Ministry and individual institutions implies that institutional autonomy is clearly framed by strategic governmental ambitions concerning how the sector and the institution should develop in the future. New arrangements concerning responsibilities and duties do not imply that governments are “stepping back” from their responsibility for higher education.

**Table 1: Changes in the influence of key actors on national higher education policy 1995-2006 (in %, n = 754)**

	More influence than before	Considerably more influence than before
The National Assembly/Parliament (or equivalent)	32	9
Government/Ministry of Education (or equivalent)	42	19
Regional government/authorities	25	9
National organisations (advisory bodies, representative bodies etc.)	44	11
Institutional leadership (rectors/presidents/vice-chancellors or equivalent)	46	24
European Commission	48	19
External stakeholders (industry, business, etc)	58	15

The table also illustrates the multi-actor perspective of present-day higher education governance. For many actors we see increased influence on national higher education policies. Apparently higher education is seen as an important sector in the move towards the emerging knowledge society.

In many systems authority is also transferred from the national level to a new intermediate level. While the arguments for this shift are often related to the delegation of 'non-policy issues', it could be argued that there is an emerging 'agencification' taking place in a number of countries (Gornitzka and Maassen 2000). The latter development is particularly evident in the area of quality assurance, but sometimes also in the funding area. The problem some countries seem to face is that these new agencies often take on or develop an unclear or semi-autonomous position between the state and the institutional level. They hold an intermediary position in the principal-agent relationship between governments and higher education institutions thus creating a more complex picture in terms of the transparency of the whole national governance arrangement. In this way, attempts to clarify the roles and responsibilities of governments and higher education institutions are sometimes blurred.

Further, external stakeholders (industry and business) are gaining influence in national higher education policy. Traditionally, their position has been weak but increasingly efforts are being made to involve them in governmental policy networks and decision-making processes as well as in consultation on institutional profiles and strategies.

Finally, many of our respondents in the survey indicate a growing influence of the European Commission on national higher education policy. When comparing the various national reports, and when analyzing the survey data, one is struck by how national policies are increasingly influenced and framed by a European dimension – concerning both higher education and research - without denying the importance of domestic agendas. The European Commission is seen as an emerging policy actor domestically, not only on the national level, but increasingly also by academics and university leaders (van Vught 2006; Maassen & Olsen 2007). At the same time, national governments and institutional leadership are considered to have a greater influence on many policy issues (see section 3). It is probable that national governments and institutional leadership anticipate the views and policies of the European Commission.

Although European competence in higher education policy making is formally limited, this apparently is of less importance than its more informal influence at the supra-national level. A possible explanation is that higher education policy is currently becoming more intertwined with, and partly dependent on, developments in other policy areas where the European Commission plays a more formal role. Van Vught (2006: 33) argues that the role the European Commission plays in the area of research and innovation means that it is also a significant contributor to the emergent European dimension in higher education.

## 2.2. *Competition as a key element in governance frameworks*

The second theme, closely related to the first, is the increased emphasis on competition as a means to enhance the efficiency and the quality of the sector. Viewed together, our data show a remarkable tendency of an increase in competition in almost all 32 systems.

**Table 2: Changes in levels of competition 1995 – 2006 (in %, n = 779)**

<i>Changes in competition levels with respect to ....</i>	<b>More competition than before</b>	<b>Much more competition than before</b>
...the recruitment of academic staff	51	19
....the recruitment of students	44	40
....public funding in general	43	32
....basic research funding	36	41

How this competition is framed differs from country to country, but, in general, we can observe various forms of quasi-markets emerging. The differences between countries relate to:

- how much institutions are exposed to competition (the UK and the Netherlands being, for example, countries where institutions are increasingly exposed)
- the areas defined as open to competition (for example research funding, recruitment of students or academic staff)
- the systemic consequences of the competition regime (for example, in Norway institutions are competing for a fixed amount of resources allocated on the basis of research output, implying that some will win and some will lose as a result of the process).

While efficiency and quality may be enhanced by increased competition, system effectiveness seems to remain a problem to be dealt with in a number of countries. If market competition is to lead to the expected outcomes, then institutions must have control over critical inputs and the processes of production. Governments experimenting with competition in higher education thus need to experiment with the deregulation. Universities are increasingly pressing for these changes themselves because their experiences with competition reveal the inefficiencies of traditional forms of state regulation.

### *2.3. New funding arrangements*

There is a noticeable interest in the 32 countries in reforming their higher education funding systems. Even though our national reports do not provide hard evidence on the level of funding allocated to higher education, other studies on changes in the funding regimes in Europe (CHINC 2006) indicate that there has not been a general reduction in the level of public funding. As such, stability rather than change seems to characterise the level of public funding of higher education in Europe over the last decade – although the ways resources are allocated is changing and the funding costs per student are declining (due to mass education). In general this has meant a trend towards public funding for the sector being based on performance or excellence (see the discussion on competition above) with the general aim of improving the efficiency of the sector. In some countries, our study notices initiatives to increase the level of funding for higher education, especially through the introduction or increase of tuition fees. The emerging pattern concerning tuition fees is still very mixed with respect to:

- how much tuition may be charged,
- whether tuition fees are set at a national or institutional level,
- whether tuition can be charged for all programmes or only in certain disciplines/areas or at certain levels of higher education,
- whether tuition is universal or only charged for certain groups of students (international, adult education, lifelong learning etc.)

Faced with a context of financial stringency, governments and higher education institutions are, however, moving steadily to consider such sources of revenue. The basic question for many countries is how the (growing) demand for high quality higher education can be met. The policy responses are basically of two types: first, those that attempt to lower costs by merging institutions for economies of scale, creating or strengthening low cost institutions, or increasing student-faculty ratios etc.; and, second, those that attempt to supplement limited public revenue with private revenue, for example, with tuition fees, philanthropic donations, or institutional or faculty entrepreneurship. The higher education reform agendas of most countries contain some elements of both.

### *2.4. Quality assurance – infusing the institutional level*

Another central element visible in the data is related to the development of new organisational structures (independent agencies) and new policy initiatives related to quality assurance over the past decade (see also Schwarz & Westerheijden 2004). This attention given to quality assurance is visible in all the 32 countries covered by the study. Although not all have established independent agencies,

national legislation in general requires higher education institutions to establish their own systems and procedures for quality assurance. While in most countries a focus on quality assurance has been on the national agenda for some years, our data suggests that much attention is currently being directed at establishing proper institutional systems and procedures in this area. Table 3 indicates that many institutions have already made much progress in establishing their own systems, especially with respect to teaching and learning, although there seems to be a longer way to go concerning systems for assuring research quality.

**Table 3: Quality assurance systems for teaching/learning and research in higher education institutions (in %, n = 623)**

	Developed but still new	Developed and in use for at least three years
Institutional system for the evaluation of teaching and learning	24	56
Institutional system for the evaluation of research	21	32

Interestingly, our data suggest that there is not necessarily a link between national system characteristics and institutional systems and procedures with respect to quality assurance. While at present national systems for quality assurance can be divided into two main categories: *accreditation* (usually of both public and private higher education) and *evaluation* (usually only focusing on public higher education) systems, this divide is of less importance for determining what sort of quality assurance systems and procedures are developed at the institutional level. Hence, while the UK can be said to have implemented a national system of evaluation (although accreditation does take place), there are still systematic and quite thorough national procedures for auditing institutional quality assurance systems. Likewise, while Norway has implemented a system of institutional accreditation, this still implies that institutional quality assurance systems are externally audited. Thus, the national control of whether institutions take their responsibilities in this area seriously is not dependent on the type of national quality assurance system. This may be one of the reasons for emerging attempts to integrate various national quality assurance systems in some countries either with respect to the methods used and how they are interrelated (e.g., Sweden) or with respect to linking education and research (e.g., France).

Concerning trans-national quality assurance schemes, our data provide few indications that this is emerging on a large scale. At the policy level some initiatives have recently been taken, for example a Nordic evaluation procedure for joint masters degrees has been suggested (Stensaker & Danø 2006).

## 2.5. *The many faces of institutional autonomy*

A further element noticeable in the data is the many governmental efforts to change institutional governance structures. These reforms are in general in line with attempts to strengthen the strategic capabilities of higher education institutions, usually accompanied by subsequent changes in institutional structures and ways of organising teaching and research. In most countries changes have taken place as a result of amendments in the Acts regulating the sector. However, with respect to the degree of institutional autonomy, the reforms differ along two dimensions:

- structural freedom: the freedom to determine internal structures and organisation
- stakeholder involvement: the degree of (internal and external) stakeholder involvement

Concerning structural freedom, there is a great variety between countries in how much autonomy institutional leadership (the board/rector or equivalent) has in determining the internal governance arrangements. While some countries have left such decisions entirely to the institutional leadership

(e.g., Finland), others specify the main internal governance structures in national legislation (e.g., Latvia).

As regards internal and external stakeholder involvement in institutional governance arrangements, there is similar variation. While some countries have specified which stakeholders must be represented in internal governance structures (below the central institutional leadership), others give institutions the autonomy to decide this themselves (Eurodice 2005). When focusing on the governance arrangements at the central institutional level, national legislation is still quite specific, not only specifying which bodies are required, but also their composition and the representation of stakeholders.

In general, the changes in institutional governance structures match national reform attempts in that amendments of legislation have led to a clearer specification of roles and responsibilities at the institutional level (see also section 3). This often means that the old “advisory” structures (senates, etc.) are taking on less prominent roles, while “executive bodies” (boards, etc) have strengthened their roles – both on paper and in practise. For example, in some countries (e.g. Netherlands, parts of Germany, Denmark) the role of senates/councils has changed formally from decision-making to advisory. In other countries (e.g. France), the institutional governance structures have become more executive, at least on paper, as part of an increase in institutional autonomy, although many institutions have little experience in using this autonomy and executive power. In the next section we will deal with institutional autonomy more extensively.

### **3. Issues of institutional autonomy as seen from the institution’s perspective**

Institutional autonomy is an important issue in discussions on higher education governance, and it is also a highly contested subject. Many higher education reforms over the last two decades deal in one way or another with institutional autonomy, as is evident in the 32 national reports. Enhancing institutional autonomy is not just a formal process of transferring authority from the national to the institutional level: it is also meant to strengthen the self regulating capacities of institutions as well as to embed the principle of subsidiarity. The creation of conducive conditions for strategic leadership and effective management of universities is closely linked to this issue of institutional autonomy.

In order to describe and analyze institutional autonomy more accurately the project has focused on responsibilities in eight areas: institutional mission/strategy development; internal governance structures; the introduction of new study programmes; the quality of teaching and learning; internal financial policies; conditions of employment of staff; access policies and admission policies, and the development of public-private partnerships. Who is engaged to what extent in these areas? Are these matters for the institutions to decide? Or are government and other external stakeholders involved as well? Additionally, we address the issue of institutional leadership and management and ask what the features of present-day governing structures look like. The results with respect to all of these areas are presented in the following subsections and are based on the outcomes of the national country reports, the five case studies and the web-based survey. The tables refer to the current results of the survey.

#### ***3.1. Defining the mission and strategy of higher education institutions***

More institutional autonomy does not necessarily include the freedom for institutions to determine their own mission (profile) as well as the freedom to develop the strategies for how to achieve this mission. In many countries national authorities still have a strong interest in determining the missions of institutions. Sometimes because they are constitutionally responsible for the provision of effective education, other times because they are accountable for the most efficient use of the tax payer’s money. In other words, the division of functions and tasks among different institutions in a national system is usually seen as the responsibility of the state.

The country reports as well the results from the survey (table 4) indicate that the state uses its authority to influence the missions of institutions and their overall strategy. Particularly the Ministries of Education (or their equivalent) are engaged in this. In some countries the national government role is taken over by regional or local and state authorities (e.g. Austria, Germany, Spain and Romania). Also, not surprisingly, institutional leadership is intensively involved in determining the missions of their institutions. Our data clearly suggest that determining institutional missions is in most cases a joint effort of the Ministry of Education and the central executives of the institutions. A second conclusion, also visible in table 4, is that many actors, both inside and outside the institution, also have a role in determining institutional missions. The academic community (academics and students), parliaments and external stakeholders have some influence in this area. This means in terms of institutional autonomy that institutions (management, academic staff and students) have to take into account the views and opinions of others when determining 'their' missions.

Our data – from the national reports and the survey – does not provide much conclusive information on how the various actors influence the missions and strategies of institutions. In some cases institutional management may consult external stakeholders when they develop or adjust their mission. In other cases the state may impose the institution's mission, or requires that missions and strategic plans must be approved by the Ministry. Yet in other cases the state may enter into a contractual relationship with the university in which mission and strategy are agreed.

**Table 4: The influence of stakeholders in determining the institutional mission and overall strategy of a higher education institution (in %, n = 749)**

	Some influence	Much influence
The National Assembly/Parliament (or equivalent)	36	19
Government/Ministry of Education (or equivalent)	27	57
Regional government/authorities	30	12
National organisations (advisory bodies, representative bodies etc.)	44	14
Institutional leadership (rectors/presidents/vice-chancellors or equivalent)	21	73
Academic staff	53	20
Students	49	12
Institutional administrative/support staff	36	6
External stakeholders (industry, business, etc)	49	18
The European Commission	36	16

### 3.2. *Internal governance and management structures*

Having the discretion to design the institution's organisational structures in terms of governing bodies and their composition, authority and responsibility can also be seen as an important aspect of institutional autonomy. Can institutions draw up their own structures? Are these imposed by government? Do external stakeholders have a voice in such matters? As expected the European picture is a scattered one. Here we can only use broad brush strokes.

First, in most of the 32 countries studied, national legislation determines (to some extent) the internal governance and management structures – at least for the institution's top level. The level of detail in prescribing governing bodies, their composition and powers varies greatly and we see different models in this regard. In some cases national legislations acts as a blue print, whereas in other countries national legislation leaves ample room (and obligations) for institutional management to draw up statutes and other kinds of internal regulations. Therefore, as indicated in table 5, institutional leadership is highly involved in determining the internal governance structures of their institutions.

Secondly, the role and authority of academics and students also varies considerably. In some countries senates play a major role in determining the rules of the game for their institution. In other countries their roles are more limited. Nevertheless, academics and students have, in general, some voice in determining the governing structure of their institutions.

Thirdly, the influence of external stakeholders is limited, although industry and business seem to have some impact, which may be due to the fact that some councils or boards may have external members that can co-decide on matters of organizational design.

Fourth, if significant changes in the internal governing structure of an institution are desirable, the national legislator may need to change (parts of) its national higher education law. In this respect institutional autonomy is bounded. Reforming institutional governance still depends in many countries on moves at the national level. This has happened in some countries and some of the case studies show (Austria and Norway) that national governments have granted institutions significant autonomy in this respect. In the Netherlands too the amount of freedom for institutions to design their organisational structure has increased and may increase further in the foreseeable future.

Fifth, within the boundaries of national laws, the institution's governing structure is in some cases an internal affair: internal stakeholders are much more engaged in such considerations than external stakeholders.

**Table 5: The influence of stakeholders in determining the internal governance structures of a higher education institution (in %, n = 744)**

	Some influence	Much influence
The National Assembly/Parliament (or equivalent)	27	13
Government/Ministry of Education (or equivalent)	33	30
Regional government/authorities	19	6
Institutional leadership (rectors/presidents/vice-chancellors or equivalent)	18	75

	Some influence	Much influence
Academic staff	52	20
Students	43	9
Institutional administrative/support staff	37	8
External stakeholders (industry, business, etc)	28	9
The European Commission	15	6

### 3.3. *The development of new study programmes*

Also with respect to the question of who is authorized to develop new study programmes we see a highly scattered picture. As a first general observation we see that this is in many countries to a large extent a responsibility within the ambit of the institution itself. Institutional management and academics are very influential in this respect. Seen from an institutional perspective, the hands-on development of new study programmes is in most cases a responsibility of the individual department/faculty with formal approval often located at the institutional level. This is clearly an area where academic staff in general has much influence, either through specialist committees or general bodies such as an academic senate.

Second, the Ministries of Education also have considerable influence in some countries as do professional associations with respect to a range of professional study programmes. In a number of countries the development of new study programmes is a process that is highly dependent on external approval, first and foremost with respect to whether accreditation is required. Since programme accreditation is the dominant procedure in a number of European countries, institutional autonomy is somewhat restricted. Especially since in some countries, authorisation and funding must be provided by the Ministry or other bodies at the national level (e.g. in the UK the funding council is quite influential with respect to the allocation of resources to new programmes). Finally, it is interesting to see that external stakeholders also have some influence on these issues.

**Table 6: The influence of stakeholders on the introduction of a new study programme at a higher education institution (in %, n = 742)**

	Some influence	Much influence
The National Assembly/Parliament (or equivalent)	12	6
Government/Ministry of Education (or equivalent)	22	38
Regional government/authorities	20	8
National organisations (advisory bodies, representative bodies etc.)	32	12

	<b>Some influence</b>	<b>Much influence</b>
Institutional leadership (rectors/presidents/vice- chancellors or equivalent)	22	72
Academic staff	37	52
Students	40	9
Institutional administrative/support staff	19	6
External stakeholders (industry, business, etc)	44	16
The European Commission	14	7

### **3.4. Quality assurance**

As noted earlier, the formal responsibility for quality assurance is increasingly taken by higher education institutions themselves. Institutional management, academics and to a lesser extent students are influential when it comes to setting the rules for quality assessment in their institutions (see Table 7). The Ministry of Education (or its equivalent) plays a significant role in several countries. Its role is more to ensure that the institutions take their responsibilities seriously, although the task of evaluating this is frequently delegated to independent national agencies for quality assurance (either through accreditation, evaluation or audit).

Using the five case-studies as examples, we see significant institutional autonomy concerning the design of institutional systems and procedures. The rather broad and general European standards on quality assurance resulting from the ministerial meeting in Bergen in 2005 are yet another indication of the discretion exercised not only by individual countries but also institutions. These European standards reflect the possibility for institutions to design their own systems according to their own needs. Hence, with respect to quality assurance there appears to be a substantial amount of institutional autonomy in terms of designing internal procedures.

Typically, institutional systems for quality assurance focus on teaching and learning, and fewer institutions have developed their own systems for assuring the quality of research (see also table 3). The impact of the various quality assurance systems has been mostly noticeable at the national level (see Schwartz & Westerheijden 2004), and related to the outcome of various accreditation systems. There are institutional reports that indicate that the effects are mixed – with on the one hand more bureaucracy (formalisation, reporting, management interference) emerging and at the same time more professionalisation concerning the organisation of teaching and learning activities. These observations are in line with other studies on the impact of quality assurance processes (see Stensaker 2003, Westerheijden et al 2006).

**Table 7: The influence of stakeholders in determining how the quality of teaching and learning in a higher education institution should be assessed and assured (in %, n = 739)**

	Some influence	Much influence
The National Assembly/Parliament (or equivalent)	24	8
Government/Ministry of Education (or equivalent)	33	43
Regional government/authorities	16	7
National organisations (advisory bodies, representative bodies etc.)	35	26
Institutional leadership (rectors/presidents/vice-chancellors or equivalent)	27	67
Academic staff	39	44
Students	46	24
Institutional administrative/support staff	31	7
External stakeholders (industry, business, etc)	31	8
The European Commission	21	8

### 3.5. *Finance and resource allocation within institutions*

Does an institution have the power to determine for itself how it will allocate its budget? This is another important indicator of institutional autonomy. Our data suggest that this is the case in most of the countries. Institutional management and to a lesser extent the government decide how budgets are distributed internally. Thus, it seems that institutions have substantial freedom in this respect, although the hand of government can still be seen. Concerning the internal resource allocation schemes of higher education institutions in the 32 countries, the logic of national schemes – primarily funding institutions through lump-sum budgets based on formulas – is often ‘followed’ by the individual institution. This means in practice that while resource allocation is formally a decision taken by institutional leadership, the distribution of resources to institutional sub-units often follows the same rules applied by government in allocating lump-sum budgets through the formula.

The extent to which institutions adjust national funding schemes to fit internal strategies, characteristics and needs varies a lot. While some institutions seem to extend and replicate the national funding schemes all the way down to the individual department, others modify the national funding model to reflect internal priorities.

**Table 8: The influence of stakeholders in determining the internal financial policies of a higher education institution (in %, n = 732)**

	Some influence	Much influence
The National Assembly/Parliament (or equivalent)	24	21
Government/Ministry of Education (or equivalent)	27	49
Regional government/authorities	16	10
National organisations (advisory bodies, representative bodies etc.)	22	6
Institutional leadership (rectors/presidents/vice-chancellors or equivalent)	15	76
Academic staff	40	9
Students	17	3
Institutional administrative/support staff	27	10
External stakeholders (industry, business, etc)	19	6
The European Commission	14	2

Institutional autonomy in determining (the level of) tuition fees (if such fees are allowed) only exists in a few countries, and this is a matter often strictly controlled by national authorities, at least for domestic students. There are usually special arrangements for non EU-students as regards tuition fees. For example, in Denmark, the Netherlands and the UK, it is left to the institutions to determine the tuition level for such student groups.

### *3.6. Human Resource management*

Do European higher education institutions have the ability to select their own staff and to determine their working conditions? According to our findings this is generally speaking the case. As with some of the other issues, institutional leadership throughout Europe has much influence in determining conditions of employment (table 9). When analysing the 32 national reports, current practice is that in many countries the institutions themselves formally select and employ their staff and develop the institutional human resource policies. At the same time, national authorities are still very influential in many countries where, for instance, salaries are a result of national negotiations, national wage agreements, or independent national wage tribunals (e.g. Iceland). Other stakeholders do not have much impact when it comes to human resource management, with the exception of some national organisations and the academic staff itself that have some influence. We conclude that in Europe today higher education institutions have, in general, significant leeway to make their own decisions in the area of human resource policies, although national governments set some of the framework conditions that circumscribe the institutions room to manoeuvre.

**Table 9: The influence of stakeholders in determining the conditions of employment of a higher education institution (in %, n = 733)**

	Some influence	Much influence
The National Assembly/Parliament (or equivalent)	29	18
Government/Ministry of Education (or equivalent)	31	43
Regional government/authorities	12	10
National organisations (advisory bodies, representative bodies etc.)	27	11
Institutional leadership (rectors/presidents/vice-chancellors or equivalent)	24	67
Academic staff	43	16
Students	13	2
Institutional administrative/support staff	28	8
External stakeholders (industry, business, etc)	13	2
The European Commission	8	2

In some countries institutional responsibility for human resource policies coincides with attempts to strengthen the attractiveness of higher education institutions as a working place. Two main explanations are related to this development. First, increasing attractiveness is seen as vital for competing with other higher education institutions as well as with the private sector for talented staff. Second, there is a growing recognition that many academic staff in higher education institutions are soon to reach retirement age, and this ‘aging of the staff’ initiates thinking about how to ensure the “next generation” of academic staff. Although not a dominant theme in the national reports, in countries such as Hungary and Denmark one can notice several initiatives aiming at increasing salary levels (relative to that of the private sector), or the implementation of measures aimed at securing the best talent available. Examples include the introduction or increase in the number of post-doc and other “recruitment” positions (e.g. Norway).

### **3.7. Student access and selection**

Another important aspect of institutional autonomy concerns the selection of students. Can institutions decide for themselves on the number and profile of the students they wish to enrol? Who sets the criteria for these policies? First, a mixed picture emerges as to the degree of institutional autonomy in setting criteria for access and in selecting students. The traditional approach, evident in a substantial number of countries, involves rather centralised national procedures and regulations. The impact of the national government on student access and selection is visible in many countries (see

table 10). In systems with limited institutional autonomy as regards these issues, we also see different procedures with respect to different institutional types (e.g., France), or noticeable roles for national agencies (e.g. Sweden). Such agencies may influence access and selection issues, for example by specifying the number of applications or institutions that are available to the individual student.

At the same time we observe that in some countries institutions do have the responsibility for student access policies and student selection: institutional management and academics tend to play a role in this context. Finally, there are examples of a differentiated approach: guidelines from the national authorities, but a significant degree of freedom for institutions within these guidelines. Some governments are experimenting in this policy area, anticipating an open higher education system (e.g. the Netherlands). External stakeholders, including the European Commission, hardly play any role in determining student access policies and student selection.

**Table 10: The influence of stakeholders in determining access policies and admission criteria for first year Bachelor students at a higher education institution (in %, n = 726)**

	Some influence	Much influence
The National Assembly/Parliament (or equivalent)	25	20
Government/Ministry of Education (or equivalent)	28	50
Regional government/authorities	9	8
National organisations (advisory bodies, representative bodies etc.)	24	9
Institutional leadership (rectors/presidents/vice-chancellors or equivalent)	33	50
Academic staff	32	29
Students	17	3
Institutional administrative/support staff	18	4
External stakeholders (industry, business, etc)	13	2
The European Commission	8	2

Our data from the national reports indicate that there is a shift towards enhancing institutional autonomy with respect to student access and selection issues in some European countries (e.g. Finland, Germany, the Netherlands, Poland, and the UK). In some countries, institutions are active in recruiting particular student groups, for example international students (e.g. the Netherlands, Finland, the UK), or ethnic minority groups and women in certain disciplines. Student numbers – and consequently access and selection – are very important since they are almost always directly related to funding.

### 3.8. Public-private partnerships

Of the eight dimensions of institutional autonomy investigated, public-private partnerships are the least regulated. This implies that in principle institutions have significant freedom to establish such relationships. Institutional management and academics are the most engaged in establishing such relationships with the government and with industry and business (see table 11).

We observe a growing tendency to emphasise “university-industry” links in national policy and reform debates in a number of countries. The extent to which the development of public-private partnerships is seen as important to institutions is however unclear. Many institutions have limited experience with developing and maintaining new partnerships with external stakeholders.

Possible explanations for the low levels of interest in such activities may be related either to the lack of a culture and tradition of such partnerships in higher education institutions, or a lack of interest from the side of business and industry. Moreover, unfamiliarity and incompatible *modus operandi* are other explanations why intense university-industry collaboration is limited in many countries. Finally, it must be noted that given the mission of some of institutions such partnerships are not particularly relevant. And of course there are differences within institutions for seizing such opportunities related to academic disciplines.

**Table 11: The influence of stakeholders in determining the policies of a higher education institution in the area of entering public-private partnerships (in %, n = 722).**

	Some influence	Much influence
The National Assembly/Parliament (or equivalent)	28	11
Government/Ministry of Education (or equivalent)	36	27
Regional government/authorities	29	9
National organisations (advisory bodies, representative bodies etc.)	30	7
Institutional leadership (rectors/presidents/vice-chancellors or equivalent)	18	72
Academic staff	39	20
Students	11	1
Institutional administrative/support staff	21	5
External stakeholders (industry, business, etc)	39	26
The European Commission	16	3

### 3.9. Conclusion: institutional autonomy and institutional leadership

Because of one of the main features of 'European' higher education – the variety among the 32 higher education systems – it is impossible to draw firm conclusions that do justice to the reforms that are going on with respect to institutional autonomy in each and every country. Moreover, we are well aware that the range of governance reforms across Europe not only differs in terms of content but also in terms of timing. Some countries adopted reforms concerning institutional autonomy earlier than others. And given their different histories, backgrounds and political realities countries have developed their 'own versions' of the very same wave of reform. At the level of discourse ('talk') there are clear similarities across Europe, but at the operational level ('action') diversity reigns. Nevertheless, our data from the national reports and the survey allow us to make some general observations.

First, on the basis of the eight policy issues – presented in the previous subsections – we see that the national government, particularly the Ministry of Education, and institutional leadership and management has the most influence on all of these issues. As suggested by much literature on New Public Management the data also show that academics today play a more modest role (de Boer, Enders and Schimank 2006). Their influence is mainly related to the primary processes (development of new study programmes and issues of quality assurance). Other stakeholders – industry, students, and national agencies – are, in general less influential. Given this overall picture, a judgment on institutional autonomy is a matter of degree. In quite a few countries state regulation is still significantly limiting institutional autonomy, while in other countries institutions have considerable discretion in many of the eight policy areas.

Second, in Continental Europe we observe a tendency to enhance institutional autonomy. One of the consequences of reshuffling authorities and responsibilities between the various levels within higher education systems is that, while the role of the national government is still clearly visible, many policy issues are decided at the institutional level and many powers are attributed to the top management of institutions. The main trend – taking the exceptions for granted – is the strengthening of higher education institutions as (corporate) organizations (De Boer, Enders & Leisyte, in press). Enhancing institutional autonomy often means a strengthening of institutional leadership and management, particularly in those higher education systems where traditionally the institutional top level was relatively weak.

In the remainder of this section we will have a closer look at the internal governance structures of higher education institutions in Europe. We present the perceptions with respect to 'good governance principles'. For this purpose we mainly rely on the survey data. The sample of the survey has a relatively high proportion of institutional leaders and managers. This may cause some bias, given the experiences of comparable research in the Netherlands where leaders and managers expressed more positive feelings about the governance and management of their institutions than academics and students (de Boer, Goedegebuure and Huisman, 2005).

In our data, particularly in some of the case studies, we see that traditional notions of collegiality and consensus-based decision-making are under pressure, making room for 'business-like' leadership and management, aimed among other things at professionalizing institutional governance and management ('new public management'). While such changes have caused turbulence in a number of countries (e.g. the UK, Austria), little research (with the Netherlands as an exception, see case study) has thus far been conducted on the effects of new governance structures on the organizational climate and whether the new structures are trusted by academics, students and other stakeholders. This is an interesting issue to pursue since characteristics such as openness and participation are emphasized as essential elements of 'good governance' throughout the European area.

Tables 12, 13 and 14 refer to the respondents' perceptions of the internal governance structures of their institutions, including these principles of good governance. The first conclusion is that only in a limited number of institutions are such principles (particularly the inclusion of external stakeholders and the coherence of policies) seen to be lacking. In general, the respondents see their institutions, at

least to some extent, as having clearly understood procedures, adequate monitoring and reporting systems, significant participation from staff and students, and as being effective. The figures do indicate that few respondents signal the absence of key characteristics that are generally seen as reflecting ‘good governance’.

Table 13 confirms these positive feelings: many respondents agree that their governing structures enhance the strategic capabilities of the institution, stimulate increased institutional performance, are characterized by clear responsibilities and duties, stimulate increased entrepreneurialism and are capable of dealing with future challenges. Most respondents disagree with the statement that there is too much dominance of institutional leadership. The institutions are, according to the majority of the respondents, bureaucratic, which may be an indication of too much micro-management within the institution due to pro-active behavior by institutional management (re-regulation instead of de-regulation).

In the new settings the emergence of more micro-management is evident because one of the consequences of enhanced institutional autonomy has been higher levels of accountability as well as more stringent and detailed procedures for quality assurance (‘the rise of the evaluative state’). Greater institutional autonomy has meant greater responsibility for higher education institutions. This means that institutions have to redefine the ways in which they inform their stakeholders about their performances, and this in turn triggers more outward- and performance oriented leadership. Additional demands are placed on institutional leadership, which require new modes of communication with and assistance from decentralized units (faculties, schools, institutes, departments). New procedures and rule structures are being put in place – sometimes causing more bureaucracy. In many cases this has led to a further rationalization in the institutions and new ‘hierarchies’ in which institutional leadership holds a central role.

Although the overall picture presented here is rather positive, respondents still see room for improvement: they would value more openness, effectiveness and, to a lesser extent, greater accountability and more participation of staff and students in decision-making (see table 14).

**Table 12: Characteristics of current internal governance structures in higher education institutions (in %, n = 622)**

<b>To what extent is the current internal governance structures in your higher education institution is characterised by</b>	<b>Not at all</b>	<b>Yes, to some extent</b>	<b>Yes, to a large extent</b>
Openness (e.g., clearly understood procedures, access to information)	5	49	46
The inclusion of external stakeholders (e.g., industry, local communities)	18	58	21
Accountability (e.g., monitoring and reporting systems)	6	50	42
Significant participation from staff and students	6	56	37
Effectiveness (e.g., in meeting important institutional objectives)	5	61	31
Coherence (e.g., policies are integrated across different policy areas, and across faculties/schools)	10	62	24

**Table 13: Assessment of characteristics of current internal governance arrangements in European higher education institutions (in %, n = 622)**

<b>The current internal governance arrangements in my higher education institution</b>	<b>(strongly) disagree</b>	<b>(Strongly) agree</b>
...enhance the strategic capabilities of the institution (e.g., long-term thinking)	18	79
...are bureaucratic (e.g., time-consuming)	37	61
...stimulate increased institutional performance (e.g., increased efficiency)	25	71
...create a strong focus on the quality of teaching and learning (e.g., actions to improve programme quality)	26	72
...are characterised by clear responsibilities and duties	32	65
...are too dominated by the institutional leadership (e.g., president, rector)	59	38
...stimulate increased entrepreneurialism (e.g., public-private partnerships)	39	52
...are capable of dealing with future challenges (e.g., increased competition)	23	69

**Table 14: The preference for some characteristics of current internal governance structures in higher education institutions (in %, n = 616)**

<b>To what extent would you prefer the internal governance structures of your higher education institution to be more characterised by:</b>	<b>Not at all</b>	<b>Yes, to some extent</b>	<b>Yes, to a large extent</b>
Openness (e.g., clearly understood procedures, access to information)	5	23	71
The inclusion of external stakeholders (e.g., industry, local communities)	13	52	31
Accountability (e.g., monitoring and reporting systems)	9	36	53
Significant participation from staff and students	7	38	54
Effectiveness (e.g., in meeting important institutional objectives)	4	25	70
Coherence (e.g., policies are integrated across different policy areas, and across faculties/schools)	5	29	64

The picture that is presented above is a very general one and local situations will vary. Overall, there has been a tremendous amount of governance reform across European higher education in different areas and with different time frames. Our national reports as well as other studies in the field illustrate this. According to the respondents to our survey a significant number of changes have been for the better, but at the same time they see room for further improvement.

#### 4. Governance reforms and system performance from an institutional perspective

The question one may ask after this update on governance reform and change in European higher education, is whether it is possible to find a link between governance reform and the overall performance of the systems. Although there are reservations as to whether it is possible to establish such causal links, our survey data indicate that informants do see some links. As table 15 shows, the many policy-initiatives taken since 1995 are in general not perceived as being very effective by our respondents. The overall picture that derives from this is that policies are seen as being somewhat effective while further improvements are needed.

**Table 15: Policy reforms and their perceived effectiveness 1995 - 2006 (in %, n = 782)**

	<b>Policies introduced</b>	<b>Policies perceived as somewhat effective</b>	<b>Policies perceived as very effective</b>
...access to higher education	79	56	24
...graduation rates	69	52	14
...employability of graduates	52	52	9
...international mobility of students	86	53	26
...international mobility of academic staff	68	47	17
...the quality of teaching and learning	84	55	16
...research output	73	53	21
...the external funding of higher education	57	47	11
...the efficiency of the higher education sector	72	52	10

This is perhaps the main reason why we currently are seeing various forms of *contractual steering arrangements* as the preferred way forward for many governments. This implies that the notion of institutional autonomy is increasingly followed by a stronger emphasis on the division of *responsibilities and roles* between national authorities and higher education institutions. It also implies that hierarchical governance arrangements are being replaced by arrangements more characterised by negotiation and the 'individualisation' of policy initiatives taken. This may sometimes result in decentralisation, but an outcome can also be, as shown in our study, that the state reclaims responsibility in areas considered to be of national or strategic importance. In terms of system

coordination we see a growing recognition that governance relationships are not only becoming more complex and dynamic but are also involving more actors from different levels.

With respect to governmental instruments and reforms affecting how contractual relationships are designed and used, one could argue that the emphasis on contractual steering arrangements has triggered an interest in the standardisation and integration of available governmental steering instruments. This integration and standardisation provides national governments with benchmarks and more room to manoeuvre when entering negotiations with individual institutions about performance goals and other output measures, but such instruments may also have effects on performance as they open up the possibility of institutional (and introspective) comparisons on a range of issues.

In the area of quality assurance, for example, one can argue that performance gains are to be made by moving the operational responsibility for quality assurance down from the national to the institutional level via 'contractualisation'. Knowledge and know-how for improving teaching and learning can be expected to be more systematically distributed throughout European higher education institutions. Interestingly, and as shown earlier, this is perhaps less dependent on the actual national methods for external control of the institutional responsibilities in this area (whether accreditation, audit or assessments are used), and more dependent on how national and institutional needs are negotiated through practice.

Finally, an interesting observation coming to the fore in all our data is an increasing interest in reform per se. Hence, quite recent reforms seem to be followed by new reforms expanding or relating to past reforms. The result is that one can observe a broadening of the scope of reform, but also a speeding up of the reform tempo. This might imply that the countries involved are improving their capacity for implementing reform, with the potential consequence that future changes in the governance arrangements may be more comprehensive, and perhaps more effective than in the past (Pierre and Peters 2000). Reform may also link the area of higher education to other policy domains as evident in the increasing role the European dimension plays in domestic policy-making (van Vught 2006; Maassen and Olsen 2007). Although we have little hard data on this from our study, there are hints in several national reports that domestic reform agendas in higher education are highly influenced by general public sector reforms in the individual country, where the higher education sector is part of broader reform efforts.

## 5. References

- CHINC (2006) *Changes in University Incomes: Their impact on university-based research and innovation* (CHINC). Final report, Sevilla, Joint Research Centre IPTS.
- COM (2005) *Mobilising the brainpower of Europe*. Communication from the Commission, Brussels.
- de Boer, H. F. (2006) Governance in het hoger onderwijs. In G. ten Dam, H. van Hout, M. Mirande, C. Terwouw and J. Willems (red.), *Handboek Hoger Onderwijs*. Assen: Van Gorcum.
- de Boer, H. F., J. Enders, and U. Schimank (2006) On the Way Towards New Public Management? The Governance of University Systems in England, the Netherlands, Austria, and Germany. In D. Jansen, *New Forms of Governance in Research Organizations – Disciplinary Approaches, Interfaces and Integration* (forthcoming).
- de Boer, H.F., J. Enders and L. Leisyte (2007) Public sector reform in Dutch higher education: The organization transformation of the university. *Public Administration* (forthcoming).
- De Boer, H. F., L. Goedegebuure and J. Huisman (2005) *Gezonde Spanning: Beleidsevaluatie van de MUB*, Beleidsgerichte studies in Hoger Onderwijs 114, Ministerie van Onderwijs, Cultuur en Wetenschap, Den Haag
- Euridyce (2000) *Two decades of reform in higher education in Europe: 1980 onwards*, European Commission (DG Education and Culture) <http://www.euridyce.org/Documents/ref20/en/FrameSet.htm>

- Eurydice (2005) *Focus on the structure of higher education in Europe 2004/05. National trends in the Bologna process*. Brussels: Eurydice.
- Enders, J. (2004) Higher education, internationalization, and the nation-state: Recent developments and challenges to governance theory. *Higher Education*, 47, pp. 361-382.
- EU (2005) *The European Charter for Researchers*. [www.europa.eu.int/eracareers/europeancharter](http://www.europa.eu.int/eracareers/europeancharter).
- Goedegebuure, L.C.J., F. Kaiser, et al. (1994) *International perspectives on trends and issues in higher education policy. Higher Education Policy. An international perspective*. Oxford: IAU & Pergamon Press.
- Gornitzka, Å., Kogan, M. & Amaral, A. (2005) *Reform and change in higher education. Analysing policy implementation*. Dordrecht, Springer.
- Gornitzka, Å. & Maassen, P. A. M. (2000) Hybrid steering approaches with respect to European higher education. *Higher Education Policy*, 13, pp. 267-285.
- Haug, G., and J. Kirstein (1999) *Trends I: Trends in Learning structures in higher education*, European Universities Association. <http://www.eua.be/eua/en/publications.jsp>
- Kehm, B. and U. Lanzendorf (2006) *Reforming University Governance. Changing Conditions for Research in Four European Countries*. Bonn: Lemmens (forthcoming).
- Kirk, J. & Miller, M.L. (1986) *Reliability and Validity in Qualitative Research*. Qualitative Research Methods series, no. 1. Sage: London.
- Laske, St., Lederbauer, D., Loacker, B. & Meister-Scheytt C. (2006) Struktur und Selbstverständnis österreichischer Universitätsräte. Juliäumsfondprojekt Nr. 10345. Innsbruck.
- Maassen, P. A. M. (2006) *The Modernisation of European higher education. A multi-level analysis*. Paper presented to the Directors general Meeting for Higher Education, Helsinki, 19-20 October.
- Maassen, P. A. M. & Olsen, J. P. (eds.) (2007) *University dynamics and European Integration*. Dordrecht: Springer (forthcoming).
- Maassen, P. A. M. & Stensaker, B. (2003) Interpretations of self-regulation: The changing state-higher education relationship in Europe, in Begg, R. (ed.) *The dialogue between higher education research and practice*. Dordrecht: Kluwer Academic Publishers.
- Neave, G. (1988) On the cultivation of quality, efficiency and enterprise: An overview of recent trends in higher education in Western Europe, 1986-1988. *European Journal of Education*, 23(1/2): 7-23.
- Neave, G. and F. A. van Vught (1991) *Prometheus bound. The changing relationship between government and higher education in western Europe*. Oxford: Pergamon Press.
- Nickel, S., Witte J. & Ziegele F. (2006) Universitätszugang und -finanzierung. Analyse der österreichischen Hochschulsteuerung und Perspektiven. Study commissioned by the Austrian Rectors' Conference (ÖRK). To be published in 2007. Gütersloh.
- Pierre, J. and B. G. Peters (2000) *Governance, Politics and the State*. Houndmills Basingstoke: Macmillan press.
- Pollitt, C. and G. Bouckaert (2000) *Public management reform: a comparative analysis*. Oxford New York: Oxford University Press.
- Reichert, S. and C. Tauch (2005) *Trends IV: European Universities Implementing Bologna*, European Universities Association. <http://www.eua.be/eua/en/publications.jsp>
- Schwarz, S. & Westerheijden, D. F. (eds.) (2004) *Accreditation and evaluation in the European higher education area*. Dordrecht: Kluwer Academic Publishers.
- Schimank, U., B. Kehm, and J. Enders (1999) Institutional mechanisms of problem processing of the German university system: Status quo and new developments. In D. Braun and F.-X. Merrien. *Towards a new model of governance for universities? A comparative view*. London/Philadelphia: Jessica Kingsley. 53: 179-94.
- Stensaker, B. (2003) Trance, Transparency and Transformation. The impact of external quality monitoring in higher education. *Quality in Higher Education*, 9, pp. 151-159.
- Stensaker, B & Danø, T. (2006) *Nordisk kvalitetssikring av høyere utdanning. Muligheter for gjensidig godkjenning og økt samarbeid?* NIFU STEP arbeidsnotat 16/2006. Oslo.
- Van Vught, F. A. (2006) *A supranational European university policy? An analysis of the European Union's higher education and research policies*. Draft. Enschede. University of Twente.

- Westerheijden, D.F., Hulpiau, V. & Waeytens, K. (2006) *Lines of change in the discourse on quality assurance. An overview of some studies into what impacts improvement.* Paper presented to the 28<sup>th</sup> annual EAIR Forum, Rome, 30 August – 1 September.
- Winston, G.C. (1999) Subsidies, hierarchy and peers: The awkward economies of higher education. *Journal of economic perspectives.* 13, 13-36.
- Wolf, C. (1993) *Markets and governments: Choosing between imperfect alternatives.* Cambridge, MA: MIT Press.

## 6. Executive Summary

### 6.1. *Background and objectives of the study*

The report summarises findings from a study commissioned by the European Commission, DG Education and Culture (2006 – 1407 / 001 – 001 S02-81AWB). The purpose of the study was to *examine governance reforms that have been taken place in higher education in 32 European countries at national and institutional level* in eight areas: institutional mission and strategy, governance and management structures, development of new study programmes, quality assurance, finance and resource allocation, human resource management, student access and selection, and public-private partnerships. The primary aims were to closer investigate the following two issues:

- How and by what means has national governance frameworks changed? What are the major themes and developments?
- How and by what means has the autonomy of higher education institutions and professional leadership changed? What are the major themes and developments?

The project was carried out in the period June – December 2006 by the Center for Higher Education Policy Studies (CHEPS), University of Twente, the Netherlands (coordinator), CHE Centre for Higher Education Development, Germany; NIFU-STEP, Norway; and the European Centre for Strategic Management in Universities (ESMU), Belgium.

### 6.2. *Methodology*

To answer the research questions, a combination of methods and approaches has been used:

- a comparative analysis of national governance reform reports of the 32 countries involved, with particular attention to the eight areas mentioned above;
- a web-based survey of academic staff and management in a selected number of institutions within the 32 countries to capture trends in reform initiatives;
- the same survey was used to gather *views* of the respondents (including external stakeholders) regarding the impacts of the reforms within the eight areas;
- a in-depth description and analysis of five counties exemplifying “good performance” in a number of the selected areas.

The analysis is based on the triangulation of data to compensate for some weaknesses in the data, in particular a low response rate in the survey.

### 6.3. *Findings on changes in national governance frameworks*

The European university landscape is primarily organized at the national and regional levels and is characterized by a high degree of heterogeneity that is reflected in its organization, governance and operating conditions. Generally speaking, the state’s new role may be termed “facilitative” as it attempts to create a viable higher education environment in which it controls the outcomes at a systems level without detailed interference.

However, governments are not withdrawing from responsibility for higher education systems but are in search for new means of system oversight and performance-based steering of organizations.

Responsibilities that were formerly those of the state have thus not only been transferred to higher education institutions but also to other organizations such as research councils, accreditation bodies etc. New actors at the national level (e.g. ministries of economic affairs) and regional level are entering the higher education scene, especially given their interest in the emerging knowledge society and technology transfer. In this respect the state's role becomes one of a network manager ('steering through networks') and new regimes of governance emerge: we now see a more multi-actor, multi-level governance framework emerging in a number of countries. Within this context, five interrelated themes can be identified when comparing the national reports, the case studies and the survey data from a bottom-up institutional perspective: multi-vocal governance in higher education, growing competition, new funding arrangements, quality assurance infusing the institutional level, and shifts in the internal governance of higher education institutions.

The *first* theme identified is that higher education institutions as actors have gained in importance in the steering of the system. The rise of the university as a managed organisation reflects not only the growing influence of institutional leadership within the organisation but also the role of universities as key actors in national higher education policy. This often means a decrease in direct governmental interference in higher education in certain areas matched by attempts to strengthen institutional autonomy accordingly. At the same time, governmental reform efforts may imply even stronger state regulation than in the past, and not only a process of transmitting responsibility from the system to the institutional level.

The *second* theme, closely related to the first, is the increased emphasis on competition as a means to enhance the efficiency and the quality of the sector. Viewed together, the study shows a remarkable tendency of an increase in competition in almost all 32 systems of higher education. How this competition is framed differs from country to country, but, in general, we can observe various forms of quasi-markets emerging. The differences between countries relate to:

- how much institutions are exposed to competition (the UK and the Netherlands being, for example, countries where institutions are increasingly exposed)
- the areas defined as open to competition (for example research funding, recruitment of students or academic staff)
- the systemic consequences of the competition regime (for example, in Norway institutions are competing for a fixed amount of resources allocated on the basis of research output, implying that some will win and some will lose as a result of the process).

Concerning the *third* theme, there is a noticeable interest in the 32 countries in reforming their higher education funding systems. Even though our national reports do not provide hard evidence on the level of funding allocated to higher education, other studies on changes in the funding regimes in Europe indicate that there has not been a general reduction in the level of public funding. As such, stability rather than change seems to characterise the level of public funding of higher education in Europe over the last decade – although the ways resources are allocated is changing and the funding costs per student are declining (due to mass education). In general this has meant a trend towards public funding for the sector being based on performance or excellence (through increased competition) with the general aim of improving the efficiency of the sector. In some countries, our study notices initiatives to increase the level of funding for higher education, especially through the introduction or increase of tuition fees. The emerging pattern concerning tuition fees is still very mixed with respect to:

- how much tuition may be charged
- whether tuition fees are set at a national or institutional level,
- whether tuition can be charged for all programmes or only in certain disciplines/areas or at certain levels of higher education,
- whether tuition is universal or only charged for certain groups of students (international, adult education, lifelong learning etc.)

The *forth* theme relate to the increasing interest in and development of new organisational structures (independent agencies) and new policy initiatives related to quality assurance over the past decade. The attention given to quality assurance is visible in all the 32 countries covered by the study. Although not all have established independent agencies, national legislation in general requires higher education institutions to establish their own systems and procedures for quality assurance. While in most countries a focus on quality assurance has been on the national agenda for some years, our data suggests that much attention is currently being directed at establishing proper institutional systems and procedures in this area.

A *final* theme identified is the many governmental efforts to change institutional governance structures. These reforms are in general in line with attempts to strengthen the strategic capabilities of higher education institutions, usually accompanied by subsequent changes in institutional structures and ways of organising teaching and research. In most countries changes have taken place as a result of amendments in the Acts regulating the sector. However, with respect to the degree of institutional autonomy, the reforms differ along two dimensions:

- structural freedom: the freedom to determine internal structures and organisation
- stakeholder involvement: the degree of (internal and external) stakeholder involvement

Concerning structural freedom, there is a great variety between countries in how much autonomy institutional leadership (the board/rector or equivalent) has in determining the internal governance arrangements. While some countries have left such decisions entirely to the institutional leadership (e.g., Finland), others specify the main internal governance structures in national legislation (e.g., Latvia). As regards internal and external stakeholder involvement in institutional governance arrangements, there is similar variation. While some countries have specified which stakeholders must be represented in internal governance structures (below the central institutional leadership), others give institutions the autonomy to decide this themselves. When focusing on the governance arrangements at the central institutional level, national legislation is still quite specific, not only specifying which bodies are required, but also their composition and the representation of stakeholders.

#### *6.4. Findings on trends in institutional autonomy as seen from the institution's perspective*

##### Defining the mission and strategy of higher education institutions

More institutional autonomy does not necessarily include the freedom for institutions to determine their own mission (profile) as well as the freedom to develop the strategies for how to achieve this mission. In many countries national authorities still have a strong interest in determining the missions of institutions. Sometimes because they are constitutionally responsible for the provision of effective education, other times because they are accountable for the most efficient use of the tax payer's money. In other words, the division of functions and tasks among different institutions in a national system is usually seen as the responsibility of the state.

##### Internal governance and management structures

In most of the 32 countries studied, national legislation determines (to some extent) the internal governance and management structures – at least for the institution's top level. The level of detail in prescribing governing bodies, their composition and powers varies greatly and we see different models in this regard. In some cases national legislations acts as a blue print, whereas in other countries national legislation leaves ample room (and obligations) for institutional management to draw up statutes and other kinds of internal regulations. Partly as a consequence of this, the role and authority of academics and students also varies considerably. In some countries senates play a major role in determining the rules of the game for their institution. In other countries their roles are more

limited. Nevertheless, academics and students have, in general, some voice in determining the governing structure of their institutions. However, the influence of external stakeholders is still quite limited.

#### The development of new study programmes

With respect to who is authorized to develop new study programmes we see a highly scattered picture. A first observation is that in many countries this is a responsibility within the ambit of the institution itself. Institutional management and academics are very influential in this respect. Seen from an institutional perspective, the hands-on development of new study programmes is in most cases a responsibility of the individual department/faculty with formal approval often located at the institutional level. This is clearly an area where academic staff in general has much influence, either through specialist committees or general bodies such as an academic senate. However, the Ministries of Education also have considerable influence in some countries as do professional associations with respect to a range of professional study programmes.

#### Quality assurance

The formal responsibility for quality assurance is increasingly taken by higher education institutions themselves. Institutional management, academics and to a lesser extent students are influential when it comes to setting the rules for quality assessment in their institutions. Typically, institutional systems for quality assurance focus on teaching and learning, and fewer institutions have developed their own systems for assuring the quality of research.

#### Finance and resource allocation within institutions

Data suggest that in most of the countries institutional management and to a lesser extent the government decides on how budgets are distributed internally. Thus, it seems that institutions have substantial freedom in this respect, although the hand of government can still be seen. Institutional autonomy in determining (the level of) tuition fees (if such fees are allowed) only exists in a few countries, and this is a matter often strictly controlled by national authorities.

#### Human Resource Management

In general, higher education institutions have the ability to select their own staff and to determine their working conditions. As with some of the other issues, institutional leadership throughout Europe has much influence in determining conditions of employment. At the same time, national authorities are still very influential in many countries where, for instance, salaries are a result of national negotiations, national wage agreements, or independent national wage tribunals (e.g. Iceland).

#### Student access and selection

A mixed picture emerges as to the degree of institutional autonomy in setting criteria for access and in selecting students. The traditional approach, evident in a substantial number of countries, involves rather centralised national procedures and regulations. At the same time we observe that in some countries institutions do have the responsibility for student access policies and student selection: institutional management and academics tend to play a role in this context. Finally, there are examples of a differentiated approach: guidelines from the national authorities, but a significant degree of freedom for institutions within these guidelines.

#### Public-private partnerships

Of the eight areas of institutional autonomy investigated, public-private partnerships are the least regulated. This implies that in principle institutions have significant freedom to establish such relationships. The extent to which the development of public-private partnerships is seen as important to institutions is however unclear. Many institutions have limited experience with developing and maintaining new partnerships with external stakeholders.

## 6.5 Conclusions

Based on this study it is impossible to draw firm conclusions that do justice to the reforms that are going on with respect to institutional autonomy in each and every country. Nevertheless, our data from the national reports and the survey allow us to make some general observations:

- On the basis of the eight policy areas – presented in the previous subsections – we see that the national government, particularly the Ministry of Education, and institutional leadership and management has the most influence on all of these issues.
- In Continental Europe we observe a tendency to enhance institutional autonomy. One of the consequences of reshuffling authorities and responsibilities between the various levels within higher education systems is that, while the role of the national government is still clearly visible, many policy issues are decided at the institutional level and many powers are attributed to the top management of institutions.
- In our data, particularly in some of the case studies, we see that traditional notions of collegiality and consensus-based decision-making are under pressure, making room for ‘business-like’ leadership and management, aimed among other things at professionalizing institutional governance and management. However, many respondents also agree that current institutional governing structures enhance the strategic capabilities of the institution, stimulate increased institutional performance, are characterized by clear responsibilities and duties, stimulate increased entrepreneurialism and are capable of dealing with future challenges.
- Although the overall picture is positive concerning the current governance schemes respondents still see room for improvement: they would value more openness, effectiveness and, to a lesser extent, greater accountability and more participation of staff and students in decision-making. Seen from the institutional perspective many policy-initiatives taken since 1995 are in general not perceived as being very effective.
- However, an interesting observation coming to the fore in all our data is an increasing interest in reform per se. Hence, quite recent reforms seem to be followed by new reforms expanding or relating to past reforms. The result is that one can observe a broadening of the scope of reform, but also a speeding up of the reform tempo in most countries.