

GOVERNANCE REFORMS IN EUROPEAN UNIVERSITIES

Gabriella Keczer

University of Szeged

E-mail: keczerg@jgypk.u-szeged.hu

—Abstract—

Over the last three decades there have been significant changes in governing higher education institutions in almost all European countries. Many new national higher education acts have been passed. Several reforms have had the key objective of enhancing the autonomy of higher education institutions; in some countries this has entailed changing the legal status of the institutions and their employees, and greater financial freedom. The timing and breadth of reforms differ across Europe. In Middle Europe, in the post-communist countries political changes drastically changed the higher education landscape in a very short period of time in the early 1990s, whereas in the Western European countries the reforms were implemented gradually. In my paper I summarize the most important changes in university governance in Europe.

Key Words: *higher education, university governance, European Union*

JEL Classification: I23, Q53

1. INTRODUCTION

As far as university governance is concerned several definitions exist. In my paper I build on the definition of Eurydice. University governance is ‘the formal and informal exercise of authority under laws, policies and rules that articulate the rights and responsibilities of various actors, including the rules by which they interact’. (Eurydice,2008:12)

In the modern history of universities two kinds of governing systems have developed: the shared governance in England and the USA, and the traditional

continental European system. The main characteristics of these systems are as follows. (Keczer,2010)

In the system of shared governance, there are at least three authorities that share the power: the governing board (of trustees, regents, etc.), the faculty (represented in the senate) and the administrative leaders (president, provost, deans). Boards have fiduciary responsibility for all that goes on in the university, but they delegate most of their authority to the president, and are involved only in major issues of policy. Presidents often appoint a team including central administrators and deans that oversees the university. The senate has authority only in academic issues. External stakeholders are present in the governance of the universities: they execute control in the name of the public via the boards.

In the traditional continental European university governing system power is in the hands of the faculty. The senate has authority in all types of issues, including strategic, financial and personal affairs. Rectors are only 'primus inter pares' (first among equals) elected by the senate, thus he is depending on the electors. So are the other administrative leaders. There is no board, so external stakeholders and the public have no direct control over the operation of the universities. In most of the Western European countries traditional governing system was dominant until the end of the 20th century. In the Middle European countries a special soviet governing system was introduced after the second world war, then after the change of the regime in 1990 they returned to the traditional governing system.

2. GOVERNANCE REFORMS IN EUROPEAN UNIVERSITIES

2.1. The European Union on university governance

At the Lisbon Summit held in March 2000, the European Council set the objective of making the European Union the most competitive and dynamic knowledge-based economy in the world by 2010. (European Council,2000) Having realized the key role of education in reaching the above goal, decision-makers and specialists have placed considerable emphasis under the Lisbon Strategy on the efficiency of education in Europe, and that of higher education, right from the

beginning. The concepts regarding the system of higher education and its management took shape gradually, the guidelines and requirements for the member states were specified in an increasingly straightforward fashion during the Lisbon process.

The guidelines specific to the changes that are deemed necessary in higher education were formulated in 2003. (European Committee,2003) There are two reasons specified in the guidelines as calling for radical reforms owing to the fact that European higher education is not competitive with American higher education, on the one hand, and because it fails to serve economic and social development appropriately, on the other hand. The publication referred to definitely outlines the idea that the practice of conventional university management is to be replaced by university governance. Since universities are operated from public funds and their operation has a considerable social impact, stakeholders should take part in university governance and person outside the academic staff need to be included in the management of the university. The publication points out that universities need more efficient decision-making mechanisms and more advanced financial techniques, and there should be mechanisms to recognize outstanding performance. The Council repeatedly emphasized the responsibility of the member states in the above issues.

Following publication of the guidelines, the EU launched a series of consultations, where the following views were identified in connection with university governance (European Committee,2004):

- autonomy (academic and management) is to be associated with more responsibility, accountability, and transparency,
- involvement of professional managers in university management appears appropriate,
- it would be important to train university top management,
- managerial responsibility should be established clearly,
- incentives to perform should be introduced,

- universities would reasonably acquire the status of a legal entity and have their own and independent asset management.

A communication was published in 2005 (European Committee,2005), which had as a starting point the statement that universities do not contribute to the Lisbon objectives to the extent necessary in the middle of the Lisbon process. As regards the reformation of university management, the communication states that member state governments are required to formulate new legal frameworks such that:

- ex post accountability is preferred to ex ante regulations,
- agreements made with the state allow universities to prepare medium-term plans,
- universities are provided greater freedom in handling their budgets,
- more autonomy is granted to institutions in managing their human resources.

In 2006, another communication was published in Brussels on the basis of the re-defined Lisbon Strategy (European Committee,2006), in which member states are definitely encouraged to switch from a traditional university management to a governance model and to make accountability the basis of university management instead of state overregulation and micro-management.

2.2. Governance reforms across Europe

At the turn of the century all the states in West Europe made definitive steps toward implementing a governance-based university management. The following recapitulative description of the reforms results from analyzing the documents and surveys of the Center for Higher Education Policy Studies (CHEPS), Higher Education Funding Council for England (HEFCE), the OECD, the Institutional Management in Higher Education (IMHE), Eurydice and Higher Education Modernization European Platform (MODERN).

2.2.1. Overall changes in governing higher education

There has been a definite shift from the traditional governing system towards shared governance. Western European countries have successfully implemented reforms to introduce all the crucial elements of shared governance, e.g. Belgium, Sweden, Norway, the Netherlands, Italy, Spain, Austria, Denmark.

The implementation of these reforms took place gradually, in most countries in 5-10 years. In the first phase external members had only consultative roles in the institutions' decision making and the boards have gained their full authority only after a transitional period.

In Middle European -- post-communist -- countries (e.g. Hungary, Poland, Czech Republic, Slovakia) either the goals of the reforms were more moderate or the goals were radical but the implementation has failed because of the resistance of universities. This may be partly due to the fact that these countries tried to implement the reforms radically instead of an incremental way of change (for details see Keczer,2010).

Governance reforms have two dimensions: change in the external and in the internal governance of universities. The following summary is based on the general survey of the Center for Higher Education Policy Studies (CHEPS,2008) and literature.

2.2.2. Main changes in the external governance

Since the 1990s the relationships in governing universities have become more complex. In many countries, coordination has changed from a classical form of regulation dominated by a single actor, the state, to forms in which various actors at various system levels coordinate higher education. We can call it 'multi-level multi-actor governance' (for details see e.g. van Kersbergen and van Waarden,2001).

State power has been dissipated in three directions; there has been an:

- upward shift as policy agendas and strategic decisions are increasingly made at the supra-national level (e.g. the European Union, World Bank),
- downward shift as regions, local governments and higher education institutions themselves are granted greater operating autonomy,
- outward shift as traditional tasks of the state are moved to NGOs or private actors (for details see e.g. Pierre and Peters,2000).

Shift from state control to state supervision, or ‘steering from a distance’ has become the dominant philosophy of national governments. Nevertheless this does not mean the absence of government; through national agenda setting and macro steering mechanisms, governments still play a vital role in higher education (for details see e.g. Goedegebuure et al.,1993).

Another general trend in European higher education governance is the enhancement of institutional autonomy. While there are important differences between higher education systems, institutional autonomy has grown overall, creating opportunities for public universities to determine their own profiles and strategies. This is not the case for all dimensions of autonomy; public universities in many countries do not have managerial flexibility in internal governance arrangements, staff and student selection and formal accountability requirements.

Because of the budgetary consequences of the continuously increasing size of public higher education, higher education has become more politically salient. National governments have become more concerned about costs and the efficiency of higher education. This increasing focus on accountability and performance has led the introduction of new funding arrangements: diversification of funding base, more performance- and competition-based financing and expanding student support systems (for details see e.g. Bleiklie and Kogan,2007).

2.2.3. Main changes in the internal governance

In the internal governance of the universities the main trend has been the strengthening of higher education institutions as better integrated organizations,

rather than a loosely coupled system of faculties with weak central leadership. Working conditions are more standardized, powerful managerial structures are established and collegial structures are weakened and replaced by stakeholder boards. This can be called 'academic capitalism' (for details see e.g. de Boer et al.,2007).

The way of governing inside universities has also changed. Power is now located at the top level of institutions. This has caused the strengthening of institutional leadership. A parallel trend is that institutional leaders are in many cases being selected instead of elected, making it possible to appoint leaders from outside the institution, and in some cases the higher education sector. In many countries, the executive head (rector/president/chancellor) has gained more formal powers. University leaders who used to be *primus inter pares* are now more often in the position of chief executive officers running a corporate institution (for details see e.g. Bleiklie and Kogan,2007).

The strengthening of institutional leadership has also had an impact on leadership styles within the institutions. Traditional notions of collegiality and consensus-based decision-making have been replaced by businesslike management and the professionalization of administration.

External stakeholders are increasingly involved in university governance structures. They sometimes have a consultative role and sometimes a full role in the decision making process (for details see Estermann and Nokkala,2009).

The strengthening of executive positions in the institutions and the increasing role of external stakeholders have happened at the expense of academics, students and their representative bodies.

3. CONCLUSION

In the modern history of universities two kinds of governing systems have developed: the shared governance in England and the USA, and the traditional continental European system. The way universities are governed influences the efficiency of higher education, and this latter has an impact on the competitiveness of nations and supra-national communities.

At the Lisbon Summit held in March 2000, the European Council set the objective of making the European Union the most competitive and dynamic knowledge-based economy in the world by 2010. In the frame of this objective increasing attention was paid to higher education and its governance. Member states have been definitely encouraged to switch from a traditional university management to a governance model and to make accountability the basis of university management instead of state overregulation and micro-management.

In line of these suggestions there have been significant changes in governing higher education institutions in almost all European countries over the last three decades. The timing and breadth of reforms are not the same across Europe, and there seems to be a different path in Western and Middle Europe, but there are some obvious general trends in university governance that can be described with such terms as ‘multi actor and multi level governance’, ‘steering from distance’, ‘academic capitalism’, ‘autonomy and accountability’, ‘integration’ and ‘professionalization’.

BIBLIOGRAPHY

- Bleiklie, I. and M. Kogan (2007), "Organization and governance in universities." *Higher Education Policy* 20, pp. 477-493.
- CHEPS (2003), Country reports.
www.utwente.nl/cheps/higher_education_monitor/country.doc, [Accessed 8.14.2009]
- CHEPS (2006), „The extent and impact of higher education governance reform across Europe. Part 1: Comparative Analysis and Executive Summary.”
http://ec.europa.eu/education/doc/reports/index_en.html, [Accessed 8.14.2009]
- de Boer, H. F., J. Enders, U. Schimank (2007), „On the Way Towards New Public Management? The Governance of University Systems in England, the Netherlands, Austria, and Germany”. (in: D. Jansen-Ed, *New Forms of Governance in Research Organizations – Disciplinary Approaches, Interfaces and Integration*. Springer, Dordrecht. pp. 137-154.)
- Estermann, T. and T. Nokkala (2009), „University Autonomy in Europe I”, EUA, Brussels.

- European Committee (2003), "The role of the universities in the Europe of knowledge." COM/2003/58. Brussels.
- European Committee (2004), "Outcome of the Stakeholders' Consultation." DOC/2004/0604. Brussels.
- European Committee (2005), "Mobilising the brainpower of Europe: enabling universities to make their full contribution to the Lisbon Strategy." COM/2005/152. Brussels.
- European Committee (2006), "Delivering on the modernisation agenda for universities: education, research and innovation" COM/2006/208. Brussels.
- European Council (2000), "The Lisbon European Council – an Agenda of Economic and Social Renewal for Europe." Doc/2000/7. Brussels.
- Eurydice (2008), „Higher education governance in Europe.” Brussels.
- Goedegebuure, L., F. Kaiser, P. Maassen, L. Meek, F. van Vught, E. de Weert (1993), „International perspectives on trends and issues in higher education policy.” (in: L. Goedegebuure, F. Kaiser, P. Maassen et al.-Ed, *Higher Education Policy. An international perspective*. IAU & Pergamon Press. Oxford.)
- HEFCE-OECD-IMHE (2004), National Reports. <http://www.oecd.org/dataoecd> [Accessed 8.14.2009]
- Keczer, Gabriella (2010), "Egyetemirányítás: lehetőségek és korlátok." Egyesület Közép-Európa Kutatására, Szeged.
- OECD (2008), „Tertiary Education for the Knowledge Society.” *OECD Thematic Review of Tertiary Education*. Paris.
- OECD-IMHE (2006), Country reports. www.oecd.org/infobycountry [Accessed 8.14.2009]
- Pierre, J., B. G. Peters (2000), „Governance, Politics and the State.” Houndmills Basingstoke, Macmillan press. London.
- van Kersbergen, K., F. van Waarden (2004), "'Governance' as a bridge between disciplines: Cross-disciplinary inspiration regarding shifts in governance and problems of governability, accountability and legitimacy.", *European Journal of Political Research* 43, 2, pp. 143-171.