

Chapter 3

Comparing Higher Education Governance Systems in Four European Countries

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3.1. Introduction

Since the 1990s, “new governance” has been at the forefront of discussions on governance in higher education and elsewhere. “Less government and more governance” has become the widely shared credo (Frederickson 1999:705). Supported by neo-liberal ideologies, authorities and powers have been redistributed across the various levels of higher education systems. In many European countries, coordination has changed from a classical form of regulation by one actor, the state, to forms in which various actors at various system levels coordinate the system (“multi-level multi-actor governance”). Coordination increasingly takes place through interconnected policy levels, ranging from the local to the global level, with a substantial number of actors who in networks of interdependent relationships influence agenda setting, policy development, policy determination, policy implementation and evaluation (de Boer 2006). Generally speaking, we witness the blend of various forms of governance, in which elements of traditional governance, with a key role of the state, self-governance, having a long tradition in higher education, and network governance are present.

In this chapter, we will take a more differentiated and analytical view on governance in four university systems. We will compare changes of university governance in England, the Netherlands, Austria and Germany over the last two decades. For this purpose, we have established what we call the “governance equalizer”. After a brief introduction on governance, this analytical tool is presented in the first part of this chapter. The second

part addresses broad analytical assessments, with the help of the governance equalizer, of what happened in the four higher education systems. Finally, we will draw some comparative conclusions.

3.2. Governance as the Talk of the Town

Basically the increased attention for governance in the recent years relates to government failures (Pierre and Peters 2000:50–68).

The first and most important reason to reassess governance has been the economic recessions and consequently the accompanying problems of public expenditures in continuously growing systems. More specifically, we can point to the following reasons for rethinking governance in higher education. Many higher education reforms are financially driven and are looking for savings (see in this context Pollitt and Bouckaert 2000).

Second, developments such as globalization, internationalization and Europeanization have also started questioning traditional modes of governance. Literally, “games without frontiers” require new rules and pose actors such as states for new governance questions. Moreover, new powerful actors have entered the scene (the European Union, the World Bank, the World Trade Association or the Organisation for Economic Cooperation and Development). Several of these organizations by the way support the ideological shift towards the market.

Third, we should mention the disappointed achievements of (national) governments. There has been a disillusion with and distrust of etatism. In many cases, governments could not live up to the expectations to resolving societal problems. This is due to not only the limited effectiveness of traditional governmental regulation, but also the towering high expectations. Learning from these experiences, many governments have a more modest attitude, using different ways of organizing the system.

Fourth, there has been an ideological shift towards the market. Universities are encouraged to “sell” their services at various markets. Third party funding, tuition fees and vouchers are just examples of such an incline towards the market. It requires a rethinking of various governance arrangements.

Fifth, the rise of new public management (NPM) as a new organizational approach for the public sector stimulated the rethinking of governance. According to this approach, universities should be managed in a more business-like way. By borrowing instruments and methods from the private sector, organizations should be created in which managers have the right and opportunities to manage (Pollitt 1993).

Rethinking governance has led to new institutional arrangements in coordinating the system. However, a shift in one direction (e.g. less state regulation) does not necessarily lead to a shift in another direction (e.g. more market orientation). This brings us to the analytical part of this chapter, the governance equalizer.

3.3. The Governance Equalizer

To illustrate our analytical perspective with respect to the shifts in governance, we will use an *equalizer* as a metaphor (see Fig. 3.1). An equalizer is an electronic device that allows attenuation or emphasis of selected frequencies in an audio spectrum. It can be used “creatively” to alter the relative balance of frequencies to produce desired tonal characteristics in sounds. In turning to the governance of university systems, we distinguish five dimensions: state regulation, stakeholder guidance, academic self-governance, market orientation, and competition.

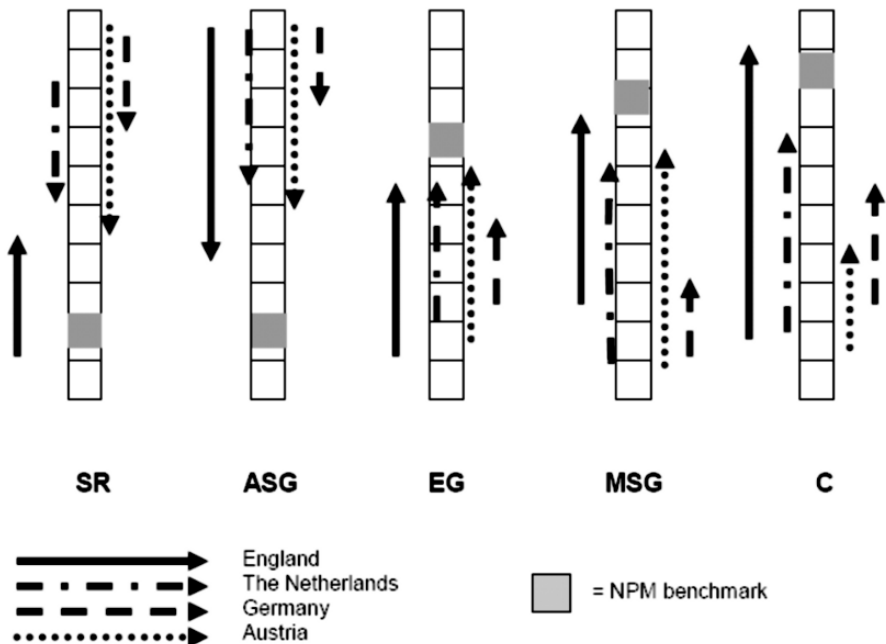


Fig. 3.1. Shifts in university governance of the four countries compared

managerial self-governance and competition. These “selected frequencies in the higher education spectrum” are derived from already existing typologies in higher education research (cf. Clark 1979; Braun and Merrien 1999; Schimank et al. 1999).¹

- *State regulation* (SR) concerns the traditional notion of top-down authority vested in the state. This dimension refers to regulation by directives; the government prescribes in detail behaviours under particular circumstances.
- *Stakeholder guidance* (EG) concerns activities that direct universities through goal setting and advice. In public university systems, the government is usually an important stakeholder, but is not necessarily the only player in this respect. It may delegate certain powers to guide to other actors, such as intermediary bodies or representatives of industry in university boards.
- *Academic self-governance* (ASG) concerns the role of professional communities within the university system. This mechanism is institutionalized in collegial decision-making within universities and the peer review-based self-steering of academic communities, for instance in decisions of funding agencies.
- *Managerial self-governance* (MSG) concerns hierarchies within universities as organizations. Here, the role of university leadership – rectors or presidents on the top-level, deans on the intermediate level – in internal goal setting, regulation and decision-making is at stake.
- *Competition* (C) for scarce resources – money, personnel and prestige – within and between universities takes place mostly not on “real” markets but on “quasi-markets” (Le Grand and Bartlett 1993; Bartlett et al. 1998) where performance evaluations by peers substitute the demand pull from customers.

We assume that the governance of a higher education system is made up of a specific mixture of the five dimensions at a particular point of time. The ways of governance are empirical combinations of the various dimensions of governance and these dimensions are *independent and can be*

¹ Clark (1979) spoke of coordination by bureaucracy, profession, politics and market, i.e. leaving out managerial self-governance. Later, in his study of entrepreneurial universities, Clark (1998) stressed the importance of executive leadership at universities as a main player in the game. Schimank et al. (1999) did not distinguish guidance by the state, as one kind of stakeholder guidance, from state regulation. Braun and Merrien (1999) as well as Enders (2002) come closest to an explicit distinction between all five mechanisms.

combined with each other in a variety of ways (see also Bradach and Eccles 1989; Wiesenthal 2000). Albeit the assumption that the five dimensions of governance can be turned up or down independently from each other, it is hard to believe that a (radical) shift in one of the dimensions does not cause any reaction in one of the others. The direction and intensity of such a re-action is, however, unknown and should be empirically investigated. Still, our basic argument is that the equalizer indicates that shifts in governance dimensions are not a zero sum game. Regulation and competition are frequently used as opposites (“if one goes up, the other goes down”), but nowadays these “rhetorical friends and deadly enemies” have become more aligned more often (Jordana and Levi-Faur 2004:5). In this respect, the equalizer provides us with a means to find unexpected combinations, as earlier spotted by Clark (1979), when he investigated four pathways of coordination:

What strange bedfellows we find! In one case, bureaucrats and academic oligarchs work together, to ward off all political forces and to eliminate market interaction. In another, centralization means that political figures and central administrators join together to control everything as much as possible and to declare professors and market processes as unworthy coordinators. In still another, decentralization means not a strengthening of the market but appeasement of academic oligarchs and strengthening of guild-like forms of linkage. (Clark 1979:263–264)

In the subsequent paragraphs, we will use the governance equalizer for a summary description and comparison of what has happened in the four different countries under observation. By doing this, NPM will be used as a normative benchmark.² It is not our intention to put forward NPM as an ideal of good governance. But policy-makers in the four countries, as in other countries as well, have articulated the installation of NPM explicitly as an important goal of reform. Thus, we measure actual changes of governance by the intentions of those who initiated change.

We would characterize NPM in terms of our equalizer model in the following way:

State regulation should be rather low. Also, the role of academic self-governance should be marginal. Academics are of course of great importance in the delivery of research and teaching, but under the notion of

² See Hood (1991), OECD (1995), Ferlie et al. (1996), Pollitt and Bouckaert (2000) and Newman (2001) for different expositions of NPM.

“every man to his trade” these knowledge workers should do what they do best: to discover and transmit knowledge. At the same time, stakeholder guidance, managerial self-governance and competition should be rather dominant governance dimensions in NPM. It posits that the state should outdistance itself from direct control of universities and be primarily concerned with goal setting. Market-like competition, so it is frequently argued, is the best means to increase efficiency and to lower costs. Instead of input control, the emphasis should turn to output control, i.e. ex post evaluation and performance. It is also assumed that efficiency and effectiveness of service delivery will be achieved through the use of private-sector management techniques. To make this happen, excellent managers are needed; and they must be granted reasonable room to manoeuvre as well as the rights to manage (Pollitt 1993:3). Increased competition for resources between and within universities rests on deregulation as well as on the establishment of a new powerful institutional leadership. Greater political guidance and stakeholder involvement is supposed to provide broad long-term orientation to a university’s competitive strategy. Spelled out in this way, it becomes clear that NPM is not just a bundle of loosely coupled or even disconnected changes, but rather an integrated approach towards an overall redirection of the entire university system.

3.4. Governance Changes in Four Higher Education Systems

We now turn to the four countries we have studied. For each of them, we will ask, first, where their starting point was: How did the governance configuration of their university system look like at the beginning of the 1980s? Second, we will explore their paths away from this starting point into the direction of NPM: How far have they moved by now, and have they taken at least roughly the “right” direction?

Obviously, limited space does not allow us to give detailed descriptions and interpretations of all the relevant occurrences in the countries. We can only draw very rough, but hopefully recognizable sketches based on more extensive country studies that we rely upon in the following sections. We also cannot do justice in this paper to the different dynamics over time. England was the forerunner of NPM-inspired reforms in the university sector, relatively soon followed by the Netherlands. In these two countries, changes took root in the late 1970s and early or mid-1980s. In Austria and Germany, governance reforms were discussed and implemented in dribs and drabs in the 1980s, if they were implemented at all. In Austria,

changes were relatively marginal up to the turn of the century when all of a sudden Austrian universities were shaken up by massive policy changes. Finally, in Germany the arrival of changes in the configuration of governance is visible only very recently.

3.4.1. England³

Since the beginning of regular state funding of universities in 1919, the relationship between government and the universities in England has gone through three phases (Halsey 1992). The first one was characterized by a dominance of academic self-governance with government keeping itself at the distance.⁴ The second phase which is still going on has been one of increasing state intervention, at first directed predominantly at the new universities and the polytechnics, but then extended to traditional universities as well. Finally, the third phase, overlapping with the second, is characterized by a decisive move towards a market-dominated governance configuration beginning with the 1980's reforms of Mrs Thatcher. Since then, the system has been trimmed rigorously towards NPM – with the Labour government continuing what Thatcher started.

The central point of change has been a strong impetus to increase *competitive pressure*. Motivated by the growing costs of mass higher education and the fiscal crisis of the state, government has insisted on efficiency as the overriding criterion for the spending and allocation of scarce public money. Various attempts have been made to establish “quasi-markets” in higher education and research. The state-induced quality assurance mechanisms for teaching and research have ranged from the establishment of the Research Assessment Exercises (RAE) to academic audits. These efforts have led to more accountability within universities as well as to a more prominent role of the Higher Education Funding Council in England and competition for resources among universities. Those universities which rate low in research performance no longer get any money from institutional funding which, in turn, is a strong disadvantage in the competition for third party funds from the EU or from industry. At the extreme, some universities will have become “teaching-only” institutions sooner or later.

There has been a shift towards more *regulation by the state*, especially for traditional universities. This runs counter to NPM ideals, but from a

³ This section is based on Leisyte et al. (2006).

⁴ According to King (2004:19), strong academic self-governance had “a peculiar British twist”. Public accountability of universities was maintained through gentlemanly and informal codes of behaviour among societal elites.

starting point of very low regulation. Regulation refers not only to policies at work concerning personnel issues and budgeting, but also to academic affairs, such as research and study programmes. Especially in some focused areas that are politically salient or fashionable, an increased regulatory role of the state can be observed.

At the same time, *guidance by the state and other stakeholders* plays a more important role. Government keeps universities at “arms length” by means of accountability measures, certain pressures for performance and results-oriented management and restructuring (King 2004:19). According to Senker et al. (1999), one of the features of major policies of the English government has been that “users” must be involved in every level of policy formation in the university system. Guidance of universities is also visible in university cooperation with other actors in provision of teaching, research and services to the community as well as in the involvement of external stakeholders in university decision-making processes. In the policy agenda since the 1980s, the link between research and the British economy has been increased as can be seen in those policies that are fostering partnerships between universities and industry and businesses. They urge universities to search for matching funds for research through the creation of strategic alliances. The participation of different stakeholders in the policy-making processes at the state level is seen in respective memberships in advisory bodies, panels of RAE or the boards of research councils. The *managerial self-governance* of universities has been strengthened (Deem 2003:66). One of the major influences on internal governance structures and management was the Jarratt report of 1985 after which universities moved strongly towards corporate management structures (Henkel 2000). University top and middle management have been implementing policies while responding to the external pressures of budget cuts and quality demands. As Slowey (1995) found out, manager-academics respond to the pressures by attempts to mitigate their worst effects on the academics at universities, in other words, serving as a kind of buffer between outside pressures and internal traditional academic values and mode of work. However, it remains to be seen for how long this protective attitude prevails. *Academic self-governance* is still alive, and the voice of the academic oligarchy has not disappeared. This can be illustrated by their role in the RAE at the heart of which is a professionally operated, state-required process of peer-driven academic self-governance. The assessment panels of the RAE are composed of academics. They pass the judgments that have sincere financial consequences for the departments. However, the RAE will now be succeeded by a new, indicator-based mechanism for the allocation of research funds to universities. This will bring about a serious weakening of the academic profession.

3.4.2. The Netherlands⁵

After the Second World War, the involvement of the national government in the university system has intensified. The expanding detailed interference of the national government expressed itself in a wide range of laws, decrees, procedures, regulations and administrative supervision. At the same time, academic matters were to a large extent the domain of the professionals. In fact, academic self-governance and state regulation went hand in hand, as in Germany and Austria. At that time, the other three dimensions of governance were less present, though interest groups have always been strong. The midst of the 1980s brought a time of fundamental changes. In 1985, the government introduced the concept of “steering from a distance”. Firm beliefs in the virtues of regulation were replaced by a philosophy in which the government’s role is confined more to setting the general framework within which the university system is to operate (Goedegebuure et al. 1993).

This approach embodies first of all a stronger role of the government in *stakeholder guidance*. By means of deregulation and devolving authorities, the government tries to promote a higher level of self-organization of the sector. The government’s focus has shifted from rather detailed ex ante measures to ex post evaluations – a shift in steering from input to output control. The universities are explicitly invited to develop their own strategic plans, though within parameters discussed, or negotiated, with the national government. Along these lines, the idea of a contractual relationship between the government and the universities has recently been put forward.

State regulation has, however, not entirely disappeared. The number of rules set by the government is still impressive and the national government is still imposing elements of reform via laws and decrees (Boin et al. 2002). Within this type of control, shifts have been taking place from strong direct regulation towards softer forms of hierarchical control. Deregulation by means of introducing framework regulations, enhancing institutional autonomy and devolving authority to intermediary organizations means that the national government does no longer prescribe in detail how the universities ought to behave. It cannot be denied that the universities have received more discretionary room in certain important issues: lump sum budgeting, administrative and financial control over property and buildings, the appointment and management of staff and the internal organizational structure.

⁵This section is based on a country report by de Boer et al. (2006).

At the same time, in the 1990s the tools of government increasingly changed from directives to financial incentives. Performance-based funding has been more widely used. More *competition* for students and research funds can be witnessed (Jongbloed 2003). Universities are expected to display more market-type behaviour and to establish more distinct profiles to place themselves on the market. In terms of research, the competition for grants allocated via the national research council operates “independently” from the national government; the competition for international grants especially from EU framework programs and the competition on the markets of contract research for industry and other customers have all been intensified. In terms of teaching, universities compete both for national and international students.

Another important change concerns the strengthening of *managerial self-governance* within universities. The changes already mentioned have undoubtedly facilitated the university to become a corporate actor which pursues its own strategic plans. It is particularly the role of the executives and managers that has been strengthened. The number of responsibilities and competencies assigned to the central level of the university has grown. Many non-academic matters no longer need final decisions of the ministry but are delegated to the top level of the university. At the same time, decisions about academic matters have been centralized within universities. What was once exclusively decided at the shop floor and departmental level is nowadays dealt with by university rectors or presidents.

Academic self-governance is weakened within universities. Representative bodies, where academics, non-academics and students hold seats, have become advisory instead of decision-making bodies. By the end of the 1990s, collegial decision-making within universities has lost ground. However, similar to England the academic communities continue to play a serious role in national evaluation exercises and in the development of national research programs (de Boer 2003).

3.4.3. Austria⁶

Since the late 1980s, the reorganization of the state–university relationships has been a constant theme of Austrian higher education policy. During the 1990s, the former trend of increasing regulatory state influence on universities has been reversed. Deregulation became the new buzzword for university reforms (Bessenyei and Melchior 1996). The implementation of the reform is still in progress. According to Pechar (2003), the “state

⁶This section is based on a country report by Lanzendorf (2006).

model” of university governance was developed even more strongly in Austria than in some other countries of the Humboldtian tradition such as Germany or the Netherlands. University professors traditionally enjoyed far-reaching decision-making powers in academic matters. Practically all non-academic and organizational aspects of university life, however, were until recently left to the discretion of the government.

With respect to *state regulation*, the present situation is thus characterized by strong deregulation. Nowadays, under the Universities Act of 2002, all universities have adopted full legal capacity and thereby have become independent public entities. In addition, the heads of administration of universities are now responsible directly to the rector and not to the Federal Ministry any more. As a corollary, the ministry will soon limit its role to a supervising function with respect to the structure and the results of universities’ activities. This means, for example, that university budgets are no longer part of the government budget but are transferred to the individual universities themselves. Since 2004, universities receive public funds in the form of global budgets. Universities are also free in the way they spend the tuition fees they collect. Moreover, each university now is the employer of its staff under private law contracts.

Universities did, however, not have any choice with respect to their new legal nature and status. The state had scheduled the process and the result of the reorganization taking full legal capacity in detail. All universities had to undergo a parallel process of re-constitution, leading to an identical legal status.

As regards *stakeholder guidance*, the comprehensive deregulation that is taking place in the Austrian university sector has not led to total autonomy of universities. Through mission-based agreements, the government retains an important influence on university development. The size of university budgets is linked to performance evaluations and subsequent bargaining with the ministry. Furthermore, some of the former supervisory functions of the ministry were transferred to university councils that are staffed with personalities from outside universities and outside politics. Heads of universities now have to reach an agreement with council members about university development before they get into negotiations with the government about mission-based agreements. Overall, these relatively small and technocratic councils can primarily be understood as guardians of institutional profiling, organizational efficiency and flexibility. Also, a national advisory body on university development has been set up. This “Science Council” will observe changes in the higher education system on behalf of the Education Ministry and formulate proposals for the further development of the Austrian higher education and research system.

To increase *competition* up to now has played a minor role in reform activities. None of the provisions in the Higher Education Act does directly refer to inter-university competition. Nowadays, universities have to define their individual institutional profiles. From recent discussions on the implementation of this aspect of the new legislation the impression arises that institutional profiles are not really meant to enhance competition between universities but rather to support the ministry's country-wide development planning. As far as intra-university competition is concerned, regular evaluation mechanisms were installed in order to reach transparency with respect to the performance of the different units of universities. Rectors conclude performance contracts with deans, but it is not really clear up to now if, and to what extent, the resources of individual departments depend on actual performances. As regards *academic self-governance*, current legislation leaves the decision about the future role of academic bodies to the individual universities. The University Act regulates the state-university relation as well as the composition and tasks of the governing bodies of the universities. It makes, however, only very few provisions with respect to the internal organization of universities below the leadership level. Heads of organizational units are supposed to be university professors, appointed by the rectorate at the proposal of the chair holders of the respective organizational unit. The rectorate also has to conclude performance agreements with them. Apart from this, each university has to enact its own rules of procedure for internal governance. Common features of the new internal governance models designed by the universities are the reduction of competencies of committees at departmental and institutional level to an advisory function and the concentration of decision-making powers in the hands of the deans.

Universities have become independent legal entities. As a consequence, recent reforms introduced central elements of *managerial self-governance* by regulating the staffing, the authority and the tasks of those positions that make up central university leadership. The rectorate made up by the rector and up to four vice-rectors and managers represents the university and elaborates drafts of the main organizational documents (university statute, development plan, organization plan, annual reports). In addition, it supervises all organizational units of the university, negotiates and concludes performance agreements with the minister, acts as superior of all university staff and conducts the appointment negotiations with new professors.

The position of the deans has been strengthened as well. They will have to conclude performance agreements with the rector for their departments and also with the heads of the institutes that belong to their departments. They will also have to distribute the available resources according to the performance of the institutes and develop strategic plans for their departments.

It remains to be seen whether the deans will act according to this new role or go on behaving as before. Some doubts are plausible because it can hardly be expected that deans take tough decisions during a relatively brief period of office when they have to return to the “rank and file” professoriate afterwards.

3.4.4. Germany⁷

The traditional governance configuration of the German university system was characterized by a combination of strong state regulation and strong academic self-governance, similar to what we showed for Austria. This configuration was only complicated, but basically remained the same, when in the beginning of the 1970s other groups besides the professors – assistants, students, non-scientific staff – acquired some rights of participation in university decision-making. Reform debates started quite late in Germany. In fact, the historical chance to build up a radically modernized university system in Eastern Germany after reunification was not taken. Only since the middle of the 1990s, initiatives have been taken in some of the 16 German Länder (states) to go in the direction of NPM;⁸ heated debates about whether this is the right way to go are still going on, with the majority of the professoriate being defenders of the status quo.

With respect to *regulation by the state*, the present situation is that all Länder have implemented those aspects of deregulation expected to bring about efficiency gains. They have given more room to manoeuvre to universities and professors with regard to financial resources by abandoning many features of cameralistic public budgeting, introducing, instead, lump sum budgeting.⁹ In five Länder, universities can choose their legal status. They may remain public institutions, but can also opt for becoming foundations of civil law. This opens additional options in financial and organizational matters, even though universities remain bound to the public-sector salary structure and its rigid employment categories. The approval of study programmes has been delegated from the ministries to newly founded agencies of accreditation, where academic peer assessment and quality criteria have a stronger role than before. However, it is still up to

⁷ This section is based on a country report by Kehm and Lanzendorf (2006).

⁸ The German picture is especially difficult to draw because the Länder differ considerably in their policies of university reform.

⁹ One major reason for granting more financial autonomy to the universities may have been to shift blame for cuts from the ministry to university leaders.

the ministry of a particular Land to decide whether a given programme at a given university fits into the overall planning of that Land.

State authorities are still reluctant to relax regulations relating to the structure and size of faculties and to the appointment of professors. A few Länder have done away with the ministry's right of approval of the appointment of professors, and have delegated this decision to rectors.

Regarding *stakeholder guidance*, since the late 1980s Länder have set up commissions to assess universities and their overall teaching and research performance. These commissions have initiated redirections in study programmes and research priorities. Recently, "management by objectives" has become institutionalized, in the form of mission-based contracts between ministries and universities. In theory, such contracts should not contain concrete recommendations, but only goal statements; in practice, this flexibility is often not granted to universities, allowing ministries to revert to regulation under the guise of NPM. For example, instead of formulating the goal that the share of female students in certain study areas shall be increased by x percent over the next 6 years, leaving the actual pursuit of this goal to each university, ministries prescribe detailed and uniform procedures as well as organizational structures of "gender mainstreaming".

The influence of external stakeholders within newly created university boards varies widely with regard to influence and position. It remains to be seen whether Länder authorities are really willing to accept their recommendations.

There has always been an important element of *competitive pressure* among individual researchers at universities, which has become stronger with increasing dependence upon funds from the Deutsche Forschungsgemeinschaft, the Federal Ministry of Research and Education, the EU and industry. Recently, in order to increase the worldwide competitiveness of the German university system, the Federal government suggested the creation of "elite universities", which it wanted to support generously with extra money to improve conditions for research as well as graduate training. Although the Länder need these additional resources very much, they continued blocking this initiative because they feared that it will lead them into a destructive competition. Finally, a compromise was reached so that now some centres of excellence and some larger research cooperations may profit from additional funding by the Federal government. Rather surprisingly, in the first round of this "excellence initiative" money was not divided proportionally over all 16 states but highly concentrated in southern Germany where, according to a general impression, research conditions indeed are better than elsewhere.

With respect to teaching, most observers expect that fees will be introduced soon everywhere. In January 2005, some Länder won a lawsuit at the constitutional court against the Federal government's prohibition of fees. Fees might result in increased competition for students. Meanwhile, other measures to increase competitive standing include a new salary scheme for professors, laid down by the Federal government and allocating about one third of salary according to performance.

In research as well as teaching, there is no direct monetary impact of demand on supply. Accordingly, because most markets within the system are but "quasi-markets" evaluations of research and teaching are necessary in order to ascertain the relative position of a university, a faculty or an individual professor. All Länder have begun evaluations; in some, e.g. in Lower Saxony, evaluation agencies have been established. Evaluation methods and criteria differ considerably. In most cases, some kind of peer review is established; but there are also examples of indicator-based formulas, mechanically used to distribute parts of public funding to universities.

Turning to *managerial self-governance*, during the 1990s the formal powers of rectors and deans increased in all Länder. Many issues can now be decided without a majority in the university senate or the faculty council. In six Länder, deans now allocate financial and personnel resources on their own.¹⁰ Terms of office for these positions have been extended. Deans who were traditionally elected for 2 years now serve four. In five Länder, deans now need dual approval – not only from their faculty but also from the rector. They begin to be seen as important "men in the middle" who not only represent their faculty's interests to the rector but are also supposed to implement the rector's policies within their faculty – if necessary, against the will of the majority within their faculty council. All in all, the system is acquiring elements of hierarchy.

Still, *academic self-governance* stays alive in a more informal way. At the moment, most measures to build managerial self-governance remain incomplete. The consensus-oriented culture of the academic profession compels many in leadership positions to act as if they had no new powers. Thus, formal competencies remain unused, and consensus, at least among professors, is still sought by rectors and deans. One reason for this is that those in leadership positions know that one day they will return to the "rank and file", and they do not want to make enemies among those who may come into power after them. But the more important reason for "co-operativeness" is that many have internalized the traditional organizational culture of consensus during their long academic socialization.

¹⁰ Excluded are resources personally dedicated to individual professors.

3.5. Conclusions

Using our governance equalizer to put all four country descriptions into one picture, several conclusions can be drawn.

Obviously, the *degree* of change varies between the four countries (the lengths of the arrows differ). The most profound changes have apparently taken place in England and in Austria. Significant shifts in England are no surprise because the Thatcher regime in the 1980s was known for its drastic measures in the public sector. Moreover, the English system has been confronted with the massification of higher education rather late. The Austrian degree of change is more remarkable. After years of standstill, many reforms have taken place in a rather short period of time. The Dutch have by and large a middle position; reforms have gradually been implemented since the midst of the 1980s. Germany seems to be the most “conservative” country, except for an increase in competitive pressures. Nevertheless, the German system is clearly in motion as well.

A second observation is that the *points of departure* have been to some extent identical. This is no surprise since three of the four higher education systems, used to be known as ‘continental systems’, to a large extent are based on Humboldtian notions. The English system has rather different historical roots, especially manifested in the different role of the state towards higher education.

A third observation is that some *variety* can be found for each of the dimensions of the governance equalizer among the four countries. Austria is, for instance, not always ahead of the Netherlands. Especially as regards strengthening competition in the university system, change in Austria is not very profound, whilst rather severe in the Netherlands. Another exceptional phenomenon concerns state regulation of universities in England. Traditionally governmental regulation was rather weak, and now it has actually been turned up instead of down, as it has in all other countries.

A fourth observation is that besides the differences between the countries there exist basic *similarities* as well. The governance of the university sectors in all four countries has undergone substantial change, in most respects rather gradually (with Austria as the exception). Most of the changes are going into the direction of our normative NPM benchmark.

This, however, does not mean that the picture is clear. In fact, there is a complex and somewhat disorderly mixture of the five governance dimensions in all four countries. It remains to be seen whether these are simply snapshots of an intermediary state of affairs, or whether hybrids of nation-specific traditional configurations of governance with NPM elements will permanently stay as path-dependent results of current reforms.

However, the picture certainly indicates that the “good old days” of bureau professionalism as a mode of coordination have gone. This part of the analysis underlines the observations in the beginning of our chapter where we described the fall of traditional modes of governance. State regulation and self-governance, once strong and dominant allies, are blended with other governance dimensions.

Fifth, it may appear that academic self-governance is “going down the drain”. At first sight it looks as if whatever new powers the university leadership and external stakeholders win, the academic profession loses. But contrary to common belief, this is by no means a logical necessity; it is at least too soon a conclusion. Academic self-governance has been a striking feature in many higher education systems. The “fact” that they lose some of their dominance does not mean that they have completely lost their voice. Their position compared with the past may be weakened but their present-day powers are still visible. Within a university, one can imagine a coexistence of strong leadership with a strong professoriate. And we see that academics continue to play their part in the governance of the university system. The *individual* academic’s influence and power to defend his own status and autonomy has weakened, as well as the formal collective power of academics in intra-university collegial bodies. But especially through mechanisms of peer review, academics have a clear *collective* impact on policies and decisions of resource allocation; and this impact will even grow because competitive pressure on “quasi-markets” depends on peer review.

Sixth, it is not only with respect to this governance dimension that we are well aware that our descriptions of the four countries so far have been confined mainly to the macro level of analysis. In this paper, we have described and interpreted political decisions and only here and there, tentatively, processes of implementation. Our bird’s eye view cannot adequately capture what happens on the meso level of implementation of these decisions within universities. Perhaps, there is such a strong resistance on this level that reforms are blocked; perhaps, only facades of reform are erected on the front stage whereas on the backstage everything remains the same. Finally, identifying the real effects of implemented reforms on research as well as teaching means stepping down even further to the micro level of the day-to-day work of individual academics and research groups. It may be that big changes in the governance configuration have only very small effects on research conditions; or the other way round, small governance changes perhaps show strong effects on research. Further research should focus on the meso and micro levels in order to complement the macro findings used for this analysis.

Finally, reflecting upon the governance equalizer as a new analytical tool for a comparative approach to study governance change, we are quite satisfied with its heuristic value. At a single glance, striking similarities and differences in time or across countries become visible. Of course, each of the five dimensions is in fact made up of a number of aspects and forms a rather complex index. Ideally, we should be able to operationalize each dimension as a weighted list of indicators and to subsume concrete phenomena under a specific indicator measuring the degree of change. The task for further research is thus to move towards such a more controlled and reliable use of the governance equalizer.

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