



Center for  
Higher Education  
Policy Studies



Progress in higher education reform  
across Europe

## Governance Reform

Volume 3: Governance fiches





**CONTRACT - 2008- 3543/001 – 001 ERA-ERPROG**

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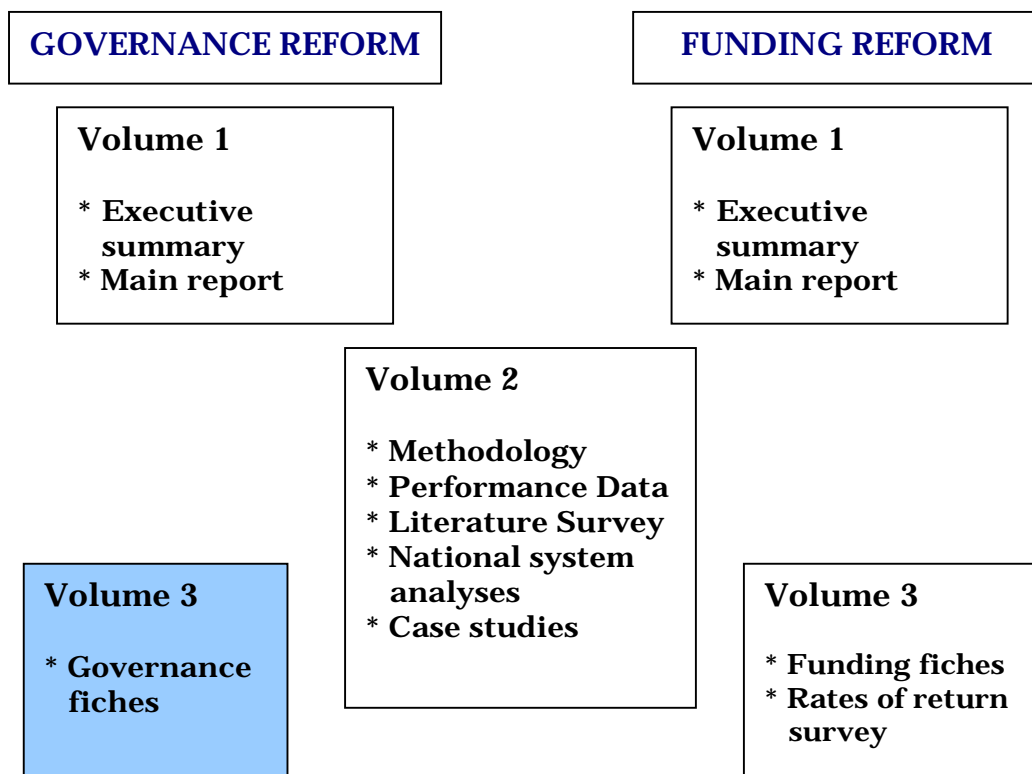


## Progress in higher education reform across Europe

### Governance and Funding Reform

## Structure of the final reports

Two CHEPS-led consortia were commissioned to undertake parallel studies on higher education governance and funding reforms across Europe and their relation to system performance. With the agreement of DG EAC the literature review, performance overviews, national system analyses and case study components of the two projects were integrated which allowed a broader selection of case studies than originally envisaged. All of these “joint products” can be found in Volume 2 which is a common volume in both project reports. The current volume is shaded for ease of reference.



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# External Governance Fiche: Austria

## **Part 1: External governance arrangements for public universities in 2008**

In 2008, Austrian universities have a lot of institutional autonomy – both in absolute terms (related to midpoints of scale) and in comparison with the EU average – when it comes to funding and finance, T&R programming, entering partnerships, T&R quality assurance, and staffing issues. They have not a lot of institutional autonomy regarding the selection of BA students.

The institutional autonomy regarding deciding on internal governance structures is moderate: the university Act (UG2002) determines the legal framework – which bodies are obligatory, who appoints the university council members, the rector etc. Within the framework each university is free to determine its own statute.

At present all new academics are employed by the university. In 2002, the national law changed and employment contract are negotiated by collective bargaining agreements. This policy shift is still in transition: at present, unions and universities have reached an agreement, but due to ongoing disagreement with the ministry the collective agreements have not yet been implemented. Hence, salaries continue to be set by the universities individually.

The ministry fixes the number of study places in medicine, dentistry and veterinary medicine (numerus clauses; following Germany). For other disciplines admission is open – although until 2005 only for Austrian citizens. This was the reason for a judgment passed by the European Court of Justice in 2005. The Austrian government was found guilty for breaking the European anti discrimination regulation. After an intervention against this judgment the EU Commission gave the Austrian government time until 2012 to bring new arguments for giving Austrian citizen preferential treatment.

Internal quality assurance systems are required both for teaching and research but the university can decide freely on the methods it wants to use. In their contracts state and universities agreed that each institution will have to examine its quality assurance system by an external quality assurance agency. This mustn't be an Austrian agency but one which is member in the European Register managed by ENQA.

The programming of research and the starting of new Bachelors programmes is completely up to the university; Austrian universities have a lot of institutionally autonomy in this respect.



## Part 2: Changes in external governance from 1995 to 2008

We see radical change with respect to:

**Internal governance structures:** more but still rather limited autonomy; in 1995 first steps to enlarged autonomy were determined by law. But after a lot of criticism from the universities' side the autonomy increased once more after the implementation of the revised university act in 2002.

**Staffing issues:** in 1995 all regular academic posts were civil servants and part of a staff appointment scheme. The minister appointed professors at the majority of universities. Nowadays new academic and administrative staff members are appointed by the university.

**Freedom to entering partnerships:** in 2004 (implementation of the UG 2002) universities acquired full legal status and from then onwards they can decide to entering partnerships without ministerial approval. In 1995, inter-university relationships usually needed an allowance by the ministry.

**Programming of teaching and research:** in 2008 this is completely left to the universities. Before 2002, all teaching programmes had to be approved by the ministry.

**Funding:** in 1995 there was no lump sum budget – universities were funded through the federal budget as state agencies. There were no negotiations for performance agreements. In 1995, the internal allocation of public funds was subject to ministry regulations; these days the internal allocation is completely up to the university. Universities can borrow funds from the capital market, are allowed to build reserves and are free to decide how to spend their operational grant. In 1995, all of this was not possible. In 2001 the state implemented tuition fees. Their amount was 374 Euros per semester. In 2008 the government changed and tuition fees were nearly abolished in the Austrian university sector.

There are also changes in terms of accountability requirements and quality assurance for teaching and research. These changes however, indicate a loss of autonomy.

With respect to the selection of Bachelors students open admission in all disciplines until 2005; since then study places in a limited number of disciplines exists – numerus clausus fixed by the ministry based on capacity of universities and demands of students. Open access to all other BA programmes causes a lot of problems to the universities, because they can't steer their capacities and the quality of teaching and learning in the way that is needed. In spite of this criticism from the universities' side open access to the BA programmes remains, because open access is a political dogma in Austria.

**Accountability:** the transition from state agency to institutional autonomy (UG 2002) requires additional reporting on top of the provision of data to national databases. An

important piece of information – that is also part of the negotiations for performance agreements – is the ‘intellectual capital report’ that includes strategic goals of the each university, its intellectual capital and outputs and outcomes. The intellectual capital report has also the duty to inform the ministry and the parliament about the fulfilling of the contracts between state and universities.

Internal quality assurance systems were completely up to the university in 1995 and therefore not well developed, but these days the national law (UG 2002) demands internal quality management without prescribing any details – this is the case for all university activities, without specifying separate procedures for teaching and research. In 2004 a national quality assurance agency (AQA) was founded to support universities in building up or improving the internal quality management. In contrast to the high dynamic in the university sector, the development of the Fachhochschulen is going quietly and according to the national plan. Fachhochschulen were built at the beginning of the 1990s as private enterprise systems with appropriate management structures and a clear market orientation. From the beginning the Austrian Fachhochschulen sector was not steered by strong external regulation but equipped with self-governance mechanisms. Also in contrast to the university sector Fachhochschulen have no open access to their BA programmes but are allowed to select students by entrance examinations. To support research projects in applied sciences which Fachhochschulen are obliged to do the state started special funds.

Beside the new HEI type Fachhochschulen in the 1990s also the first private universities were founded and in 2007 teacher training seminars (Pädagogische Hochschulen) were added. In the whole the Austrian HE system was highly diversified between 1995 and 2008.

# External Governance Fiche: Belgium - Flanders

## **Part 1: External governance arrangements for public universities in 2008**

Flemish universities enjoy a considerable amount of freedom in their institutional decision making. The publicly funded private universities can decide themselves upon their internal governance structure; however, public universities, defined under public law, have only restricted leeway in this realm – their internal governance structure is largely prescribed by the ministry. They have far-reaching financial discretion. They can freely decide on the internal allocation of their public (mainly lump-sum) and private funds. The public operational grant can be used in a flexible way. Moreover, they can borrow money on the capital market and are free to build up reserves.

Research programmes are determined within the university. It is entirely an internal matter, although national research plans and priorities may have some impact (in the sense that the government provides funding). Universities can only offer Bachelor programmes that are accredited by the national agency (the Dutch Flemish Accreditation Organization - NVAO). This means that universities are free to develop their Bachelors programmes but are subject to accreditation. Content and teaching methods of the Bachelors programmes are determined completely by the university.

Since 1991, teaching quality evaluation systems are mandatory for all Flemish universities. The process is prescribed by the ministry. (Groups of) study programmes draw up self evaluation reports that are subsequently assessed by an external peer review committee. This committee produces a public report. The quality review report is the basis for the accreditation of the NVAO. For research there is no mandatory quality assessment system (although the teaching assessment addresses the issue of the teaching – research nexus).

Universities are free to enter partnerships with HEIs and other organizations but specific regulations for partnerships must be taken into account. Examples of partnerships with other organizations concern spin-off companies. Inter-university partnerships usually concern joint teaching programmes. A special kind of collaboration are the Associations – a network of one university with several ‘colleges’ that are meant among other things to academically upgrade (‘academize’) the colleges and to somewhat ‘close the gap’ between the two higher education sectors.

Flemish universities have considerable freedom to appoint their staff. They are free to determine how many and which type of senior academic posts they want to have and they are free to appoint persons of their choice to these positions. There is one restriction: the proportion of the operating grant that can be spent on wages can not

exceed 80%. They are not free to determine the salaries of academic staff; these are set by national authorities.

The freedom of Flemish universities is somewhat constrained when it comes to the selection of Bachelors students: they have to accept all qualified students (the exception is the study areas of medicine and dentistry which have an entry exam). This 'free access' is seen as one of the reasons why graduation rates are low. The universities can freely decide on the number of study places they want to offer (as long as they take all the qualified students). Since 2008-09 universities can refuse to take students that have not shown significant study progress.

Universities are required to report on the activities and performances in the sense that they have to publish an annual report (for the ministry) and an audited financial statement. Moreover, the universities are obliged to provide data and information for national databases. Universities are not formally obliged to produce a strategic plan; this is up to them. For Associations – an inter-organizational cooperation between one university and a number of 'colleges' – the situation is different: they have to publish a long term plan for educational development and improvement, for research and service provision as well as for investments and infrastructure.

## **Part 2: Changes in external governance from 1995 to 2008**

As regards the decision making freedom of Flemish universities there were no major changes in the period 1995-2008. The system was shaken up in 1989, when the Flemish and Walloon Community became responsible for their higher education (state restructuring). The Flemish Community introduced drastic changes leading to more institutional autonomy (decrees 1991 and 1994). The other two major changes concern the 'implementation of Bologna principles' and its consequences and the level of research funding and, recently, the introduction of a new funding system (the latter will be dealt with elsewhere).

The implementation of Bologna and its consequences refer not just to the introduction of the Bachelors Masters structure itself, but also to the establishment of Associations. This is an institutionalised cooperation between one university and several colleges. Currently there are five Associations. The aims of establishing university-college collaborations are a rationalisation of study supply, better student guidance and to enhance the colleges' research capacity. Moreover, through such collaborations certain study programmes of colleges should be upgraded ('academized'). The academic bachelors of colleges, only possible in the Association structure, should become university programmes in 2012. Another consequence of 'implementing Bologna' is the introduction of a system of accreditation in 2003 (together with the Dutch) which in principle reduces the decision making space for universities. Finally, a Council for the settling of disputes about decisions on study progress was erected.

The level of government funding for research has been increased through diverse funding channels, because the government wanted (and still wants) to move Flanders away from its internationally backward position with regard to research funding and innovation.

# External Governance Fiche: Belgium - Wallonia

## Part 1: External governance arrangements for public universities in 2008

Walloon universities enjoy a considerable amount of freedom in their institutional decision making. The public universities have significant leeway to set their own internal governance structure within broad guidelines set by the Walloon Community. These broad guidelines were established by the law of 1953. The guidelines are stricter for public universities than for the publicly funded private universities.

They have far-reaching financial discretion. They can freely decide on the internal allocation of their public (mainly lump-sum) and private funds. The public operational grant can be used in a flexible way. Moreover, they can borrow money on the capital market and are free to build up reserves.

Research programmes are determined within the university, but national research plans and priorities may have a major impact on these programmes. The freedom of Walloon universities as regards their teaching is more restricted. The legislator defines the programmes, cycles and options for each university. The government can adopt the list of teaching programmes that a university has to offer, for instance to guarantee a range of programmes in the whole French speaking community of Belgium. Only universities that are listed can offer recognized degrees, titles and diplomas. University rectors can propose to modify this list after having asked advice from the Interuniversity Council (Conseil Interuniversitaire de la Communauté Française – CIUF). On the basis of the CIUF proposals the government can decide on the minimal contents of the bachelors programmes offered. Content and teaching methods of the study programmes and courses are determined by the university. The legislator defines the length of the programme (180 or 240 ECTS for Bachelors and at least 60 ECTS for Masters).

All universities must have quality evaluation systems for teaching. The university can decide on the methods it wants to use, but these methods are evaluated by the government. In 2002, an agency for the evaluation of teaching quality was established (Agence pour l'évaluation de la qualité dans l'enseignement supérieur). This Agency does not evaluate the teaching programmes itself, but coordinates and controls the procedures used. Courses will be evaluated at least every ten years. The evaluation refers to a series of indicators which cover all the educational and organizational aspects of the programme. This evaluation concerns the compilation of a self-study report by the university and an external peer-based evaluation committee. Results are made public by the Agency and the university has to produce a follow-up plan as a response to the recommendations. The situation for research is different: there is no requirement to have a quality evaluation system for research.

Walloon universities are free to enter partnerships with other, non-higher education organizations, although specific regulations must be taken into account. The government encourages partnerships of universities with other public or private organizations that contribute to local and regional markets, employment and business knowledge. It provides funds for research projects, the establishment of spin-off companies and post-doctoral mandates. Walloon universities are free to enter partnerships with other HEIs, without government approval needed. The Walloon Bologna Decree of 2004 intends to stimulate collaborations between HEIs, for instance to increase student mobility. Moreover, two or more universities can form an 'academy'. This academy can establish partnerships with other HEIs. Currently there are three academies. The Académie Universitaire Louvain consists of four universities (Catholic University of Mons (FUCaM), University of Notre-Dame de la Paix at Namur (FUNDP), University of Saint-Louis (FUSL) and the Catholic University of Louvain (UCL)) and intends to merge in 2010.

Walloon universities have considerable freedom to appoint their staff. They are free to determine how many and which type of senior academic posts they want to have and they are free to appoint persons of their choice to these positions. They are not free to determine the salaries of academic staff; the legislator sets the academic grades and their financial conditions.

The freedom of Walloon universities is somewhat constrained when it comes to the selection of Bachelors students: they have to accept all qualified students (there are some limitations for medicine and for engineering there is an entry exam under conditions set by the government). Moreover, since 2006 the number of foreign students for physiotherapy and rehabilitation may not exceed 30% of the total number of enrolled students. The universities can freely decide on the number of study places they want to offer (as long as they take all the qualified students).

Universities are required to report on the activities and performances in the sense that they have to publish an annual report and an audited financial statement for the ministry. Moreover, the universities are obliged to provide data and information for national databases. Universities are not formally obliged to produce a strategic plan; this is up to them.

## **Part 2: Changes in external governance from 1995 to 2008**

As regards the decision making freedom of Walloon universities there were not many major changes in the 1995-2008. When the Flemish and Walloon Community became responsible for their higher education (state restructuring in 1989), the Walloon Community did not restructure its higher education 'completely' as the Flemish did.

Over the last ten years the Walloon Community tried to increase its funding for research. A number of programmes have been initiated, aiming at concentrating research in areas such as economic development and ICT.

In 2002, the agency for quality evaluation was established – the law changed in 2008.

In terms of partnerships of universities with other organizations the government increased its efforts over the last decades to stimulate such partnerships. Moreover, the Walloon Bologna Decree of 2004 introduced further collaborations between HEIs through Académies (Associations). Other results of implementing the Bologna principles were a restructuring of the programmes, refinancing the institutions, introduction of the ECTS system and the establishment of a national agency for quality assurance.



# External Governance Fiche: Bulgaria

## **Part 1: External governance arrangements for public universities in 2008**

In 2008, the autonomy of public universities in Bulgaria to determine their own governance structure is very limited; their structure is prescribed in detail by regulations. The 1995 Law of Higher Education defines in detail the main governing bodies, their composition and the main tasks. They do, however, have significant autonomy in staffing matters. They are free to decide how many and which type of senior academics posts they want to have and they are free to appoint individuals of their choice to these positions. Although the state subsidy determines the minimum levels of the salaries of academic staff, each higher education institution is able to define the salary level of its academics. Moreover, Bulgarian universities are completely free to decide upon the admission criteria with respect to Bachelors students. The same counts for Masters students, although for these students the selection criteria are set at the faculty level, whereas the selection criteria for Bachelors students are settled at the institutional level. Bulgarian universities also face serious accountability requirements. They must have internal and external evaluation systems for teaching, and the evaluation processes are prescribed by the government (through the National Evaluation and Accreditation Agency). They also must have research evaluation systems. But the institutions have some leeway here. Apart from these accountability requirements, universities are obliged to submit every three months reports to the Ministry of Education, the Ministry of Finance and the National Court of Audit. Moreover, they must provide data and information to update the national database on their structure, programmes, staff and students. The higher education institutions can decide to start new Bachelors programmes, but within the main domains specified by the government (Classifier of higher education fields and specializations) and accreditation from the National Agency is needed. In terms of finance the Bulgarian institutions do have some discretion: they can decide themselves on the internal allocation of public and private funds, can borrow money on the capital market and are allowed to carry over unspent financial resources from one year to the next. However, they are not free to decide how they will spend their public operational grant.

## **Part 2: Changes in external governance from 1995 to 2008**

The effectuation of the Law of Higher Education in 1995 implied a number changes. The universities got fewer opportunities to decide upon their internal governance structures, accountability requirements increased, particularly with respect to the evaluation systems for teaching and research. It used to be the university itself who could decide on these processes. The same goes for the programming of teaching; universities used to have the freedom to start up new Bachelors programmes but currently, as described above, there are several restrictions.

More specifically, the following changes in governance can be reported: The establishment of the National Evaluation and Accreditation Agency in 1996. In the period 1996-2004 the programme accreditation was carried out at the level of different subjects. In accordance with the Amendment to the Law of 2004 (Article 78), the programme accreditation is carried out at the level of professional fields.

The introduction of the main principles of the Bologna process (ECST system, Bachelor's, Master's and PhD degrees, joint degrees, diploma supplement (through amendments in 1999 and 2004 to the Law of Higher Education).

An amendment of 1999 to the Law of Higher Education which stipulates that the development of an internal quality evaluation system for teaching and academic staff is part of the very definition of a higher education institution.

Amendments (passed in 2002, 2004 and 2007) to the Law of Higher Education, which stipulate that the Council of Ministers approves the total number of study places plus the number of study places by professional fields for each HEI in accordance with its institutional capacity. According to the amendment of 2007 the free capacity of the higher schools has to be filled in step by step – each year by a 25% increase in student enrollment. An amendment of 2004 to the Law of Higher Education which stipulates that the Minister of Education keeps a Register of the higher education institutions, containing data about their academic staff and students.

The approval of the List of the regulated professions.

The discard of the "unified state requirements" in 2002. The amendment of 2007 to the Law of Higher Education (Article 35a), which stipulates that each higher school should put in place a Board of Trustees.

# External Governance Fiche: Croatia

## **Part 1: External governance arrangements for public universities in 2008**

In 2008, Public universities in Croatia have full autonomy concerning internal governance structures, BA student selection, accountability, entering partnerships and funding and finance. They have a high level of autonomy with respect to teaching and research programmes and a lesser amount of autonomy regarding quality assurance of teaching and research corresponding with the midpoint scale.

The 1996 Law on Higher Education Institutions stipulates the universities' freedom to determine their own internal governance structures. The 2003 Law on Science and Higher Education reaffirmed this principle, but attempted to further the legal integration of Croatian public universities. This article was subsequently ruled illegal by the Constitutional Court.

Salaries of academic staff in universities are in the authority of faculties which are considered legal entities and hence employers of their personnel. However for the majority of the universities, the ministry still pays the salaries whose levels are collectively negotiated by universities and applies to all the universities

Universities are free to select their bachelor students based on attaining the requirements which consist of secondary qualifications and school leaving grades as well as entrance exams run by universities and faculties. With the soon to be introduced State Matura system there is pressure on the universities to accept the State Matura as an entrance requirement that would replace the current system of entrance exam. The ministry sets the annual quota of state supported full time students which do not pay tuition fees. Above this quota, it is up to universities to set the total number. According to the 2003 Act on science and higher education it is the responsibility of the university senate as the main governing body to determine study capacities, set entrance requirements and entrance quotas. The entrance requirements for both universities and polytechnics have to be made public and they must abide by the no-discrimination criteria.

The public universities are not obliged to produce a strategic plan outlining their main strategic objectives and are neither required to report upon their activities and/or performance.

Croatia's universities are free to enter into partnerships with other institutions of higher education and other organizations.

The universities are free to enter partnerships with other organisations and no legislation prohibits or restricts universities in forming partnerships. In 2007, for example, the University of Zagreb signed a 5 year agreement with IBM Croatia to develop IT education. The Ministry also actively encourages such partnerships with financial incentives through The National Foundation for Science, Higher Education

and Technological Development which funds collaborative projects between HEI and business in projects involving fundamental research. Higher education institutions are also free to enter partnerships with each other without ministry approval. For instance the Faculty of Arts and Humanities of the University of Osijek runs a joint - degree masters programme in Digitalising of Archives in cooperation with University of Zadar and the University of Parma in Italy. The Ministry actively encourages such partnerships through the National Science Foundation and through co-management of the Tempus programme of the EU.

Universities are required to have internal assessment systems for teaching but currently the process is not clearly defined. The Act on Science and Higher Education (adopted 2003, amended twice in 2004 and once more in 2007) stipulates that a yearly questionnaire for students to assess teaching is mandatory. Furthermore, in 2005 the ordinance on Standards and Criteria for evaluating the Quality and Efficiency of Higher Education Institutions and Programmes was passed, which stipulates that during external evaluation of universities one of the areas of assessment is self-evaluation, which includes instruments of internal quality assurance. However for the external quality assessment for teaching, there is a prescribed process by the ministry. The 2005 Ordinance on Standards and Criteria, stipulates that the National Council for Higher Education, with the expert support of the Agency for Science and Higher Education, implements external evaluation of universities and awards or withholds accreditation upon completion.

Internal quality assessment for research in Croatian universities is not a requirement and is solely up to the university. The universities are required to have external quality assessment for all basic research which informs national funding decisions. The 2005 Ordinance on the Evaluation of Scientific Organisations stipulates the assessment of research projects as one of the functions of evaluation implemented by the National Council for Research, supported by the Agency for Science and Higher Education. However it refers primarily to the accreditation process and is not a continuous effort at monitoring research quality.

Research programmes and major research themes are determined within the university although national research priorities have some impact. Universities are free to start new bachelors programmes but subject to accreditations by the relevant agency. The 2005 Ordinance on Standards and Criteria stipulates that the National Council for Education, with the expert support of the Agency for Science and Higher Education, is in charge of the accreditation of study programmes. The universities are also free to determine the contents and teaching methods of the bachelor programmes they offer though they undergo assessment of the content and teaching methods.

In public universities the allocation of public funds is subject to ministry/agency regulation, but privately generated funds can be allocated as the university wishes. Institutions own their buildings and other properties, are free to borrow funds on the capital markets and are free to build up reserves and/or carry over unspent financial resources from one year to the next.

## **Part 2: Changes in external governance from 1995 to 2008**

There have been significant changes with respect to quality assurance of teaching and research and funding and finance.

Similar to 1995 the universities in 2008 were free to enter into partnerships with other organizations. But there have been activities that encourage further collaborative projects through the National Foundation for Science, Higher Education and Technological Development offering some funding for such ventures.

There have been changes on autonomy for internal quality evaluation: in 1995 the internal quality evaluation was completely up to the universities. By 2008 it was a requirement by the Ministry that the internal quality evaluation is carried out, however the method is to be determined by the university. The Act in Science and Higher Education stipulates that yearly anonymous questionnaire for students to assess teaching is mandatory. In 2005, the ordinance on standards and criteria for evaluating the quality and effectiveness of higher education institutions and programmes was passed. It stipulates that during external evaluation, one of the areas of assessment is self- evaluation, which includes instruments of internal quality assurance.

In 1995 universities were not required to take part in external quality assessment for teaching. However in 2005 the ordinance on Science referred to above required that the National Council for Higher Education, with the expert support of the Agency for Science and Higher Education, implements external evaluation of universities and awards or withholds accreditation upon completion. Under the same ordinance assessments of research projects are to be done, but primarily for the accreditation process. This does not represent a continuous effort at monitoring research quality.

As in 1995 major research themes and programmes were being determined by the universities, however the new Bachelors programmes have to be subjected to accreditation process in 2008 while in 1995 they needed only approval by the Ministry.

On autonomy regarding freedom to decide on internal allocation of funds, the universities had none as 1995 both in legislation and in practice. In 2008 legislation granted the universities the freedom to do so. However this is not the practice as the reform has not been fully implemented. Another change was that while in 1998 the public grant was allocated under expenditure headings, the 2003 Act on Science stipulated that funding from the state is allocated to higher education institutions in lump sum. The transition to the new system is still underway; the National Audit report for 2006 stated that universities are still directly financed by the Ministry which is a breach of the law. The Ministry in its defense stated that the higher education institutions have not adopted the necessary regulation of financial management.

## External Governance Fiche: Cyprus

### **Part 1: External governance arrangements for public universities in 2008<sup>1</sup>**

Changes in Cyprus (comparing 2008 and 1995): One soon realises that there have not been any reforms as witnessed in other EU countries. The existence of tertiary education in Cyprus is itself relatively recent as the first University in the country, the University of Cyprus, was only established in 1989. Therefore, the very existence of tertiary education in Cyprus is perhaps too brief for any major reforms in governance and funding to have been required. More specifically:

There is relatively low level of autonomy. The university's internal governance is strictly prescribed by detailed regulations.

There are internal quality assurance evaluations but it is up to the university to decide the methods. However, there are no external evaluations.

Universities can start new programmes subject to the Ministry's approval. Universities have to accept all the students who pass the national examinations and the numbers of students is negotiated between institutions and the Ministry.

HEIs can generate all types of resources but they have to use the public funds subject to the Ministry's approval.

Although it is clear that there have not been any reforms in the area of governance and funding, the establishment of two new public universities, the Open University of Cyprus, as stated in the December 31st, 2002 Law (234(I)/2002) regulating its establishment and operation, and the Cyprus University of Technology, as stated in the December 31st, 2003 (implemented on 27 February 2004) Law (198(I)/2003) and Law 198(I) modal/2005 and the establishment of three private universities has widespread implications on higher educational in Cyprus in general.

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<sup>1</sup> As the HE system has only recently been established, we only describe the current system

# External Governance Fiche: Czech Republic

## Part 1: External governance arrangements for public universities in 2008

Czech universities are not free to determine their own internal governance structures as these are prescribed at both institutional and faculty levels in some detail in the Higher Education Act. In terms of staffing universities are free to decide how many and which type of senior academic posts they wish to employ; they are free to appoint individuals of their choice to these positions and to decide on their salaries. In the case of professors special procedures apply as this is a national academic title rather than a level of post in a university. Universities propose academic staff members for this title, these proposals are assessed by the Accreditation Commission and successful candidates are appointed by the President of the Republic.

In terms of the selection of Bachelors students, criteria and procedures are set by the universities themselves. The number of study places funded by the Ministry is based on formulas and rules negotiated annually with the university sector and this clearly has a major effect on the number of study places a university decides to offer. Nevertheless, the number of study places is determined by the University.

The accountability requirements for Czech universities are relatively modest. They are obliged to produce a strategic plan that addresses issues prioritised in the long-term plan of the Ministry (and which serves as a basis for the funding of development projects) but Ministry approval of this plan is normally a formality. They are also obliged to submit an annual report to the Ministry and other external stakeholders, an audited financial statement to the Ministry and to provide data and information for national databases.

Universities are free within specific regulations governing such partnerships to enter into partnerships with other higher education institutions and with other public or private organisations without seeking Ministry approval.

In terms of quality assessment of teaching and research there is a stipulation in the HE Act that regular evaluation should take place and that the results should be made public but there are no regulations that give effect to this. Czech universities can therefore decide whether and how to introduce internal and/or external quality assessments of teaching and research. In the case of research however all major public funding via the Research and Development Council requires external institutional and project level evaluation.

Universities are free to determine the contents and teaching methods of the educational programmes they offer provided that they meet the requirements of the Accreditation Commission. Research programmes and themes are determined within the university although national and European priorities have an increasing impact

on these decisions as more funding is targeted at these priorities. National R&D priorities are fairly broad.

Czech universities have full financial autonomy in terms of how they spend both public and private funds (subject to contractual conditions) and in being able to generate private funding from many different sources including their own commercial activities. The sale of university property requires the approval of the university's Board of Trustees composed of external stakeholders.

## **Part 2: Changes in external governance from 1995 to 2008**

Full autonomy was returned to Czech universities within six months of the Velvet Revolution, when the new Higher Education Act was introduced in 1990. A system of academic self-governance was introduced; and the role of the state in steering the higher education system was limited to indirect methods. The clear political policy objective in 1990 was to restore freedom to the universities to enable academics and students to run their institutions without strict central government control. The resultant level of autonomy for Czech Universities exceeded that in most Western European countries at that time. Over the past 20 years several attempts have been made to find a better balance between an acceptable level of institutional autonomy and the ability of the state to steer and co-ordinate the higher education system in line with broad national goals.

In 1995 a serious discussion began on the need for and characteristics of a new Higher Education Act to replace the one rather hastily developed and adopted in 1990. Potentially this could have entailed a second major post-communist higher education governance reform.

There were a number of key policy issues at stake. First, unlike many of its post-communist neighbours – notably Poland – the Czech Republic had not made legislative provision for private higher education. Second, while the higher education institutions managed their properties these were in fact still owned by the state. Third, from the perspective of institutional leadership, the need was expressed to reform their internal organization and cohesion. Many of universities consisted traditionally of fairly independent faculties with their own legal identity, so the power of the central university level was very weak. Finally, from the perspective of the Ministry, the overall intention was to find a more acceptable balance between institutional autonomy and the ability of the state to steer the higher education system as a whole.

The new Higher Education Act was adopted in 1998. The following changes are important regarding higher education governance. The new Act strengthened the position of the central level of higher education institutions vis-à-vis their constituent faculties. Faculties had until then enjoyed a high level of independence which in many cases made university-level policy and decision-making a difficult undertaking. The Act also changed state institutions into public ones and transferred former state



property to their ownership. Together with this new public status of universities it also introduced Boards of Trustees, new bodies composed of individuals drawn from outside higher education with specific powers particularly with respect to university property and strategic decisions.

The Accreditation Commission was granted new powers, with all study programs required to be accredited and periodically re-accredited.

Importantly, with respect to governmental steering, the Act introduced a new mechanism. The Ministry was required to publish “A Long-Term Plan of Educational and Scientific, Research, Developmental, Artistic and other Creative Activities in the Area of Higher Education”. Higher Education institutions were in turn obliged to draft long-term institutional plans in line with the long-term plan of the Ministry and to negotiate these with the Ministry.

In the past few years an intensive discussion has taken place about the changes that still need to be implemented in higher education. One of the most important developments in this respect was a 2006 OECD review of tertiary education in the Czech Republic. The OECD team made a comprehensive range of suggestions including changes in areas such as system structure, its diversification and the institutional landscape; system and institutional governance; resourcing, access and equity; connections to the labour market and many others.

The results of the study were very seriously received and considered by the then Minister and her deputy for Higher Education and Science. It was decided that a strategic document should be drafted building on the conclusions of the OECD study and discussing potential scenarios for Czech tertiary education. The first draft of this White Book on Tertiary Education was released in May 2008. Many of its proposals were controversial and this coupled with a period of political instability led to the reform initiative being halted in March 2009. It is expected that the process will continue after the 2010 parliamentary elections.

# External Governance Fiche: Denmark

## **Part 1: External governance arrangements for public universities in 2008**

In 2008, Danish higher education institutions have more autonomy than the average EU institution on indicators such as staffing issues, BA student selection, entering partnerships, T&R programmes and in funding and finance issues, while institutions have less autonomy than the average EU institution on indicators such as the internal governance structures and on quality assurance.

In Denmark the University Act of 2003 specifies the decision-making power of the universities. The Act aims to further increase the universities' autonomy and self-governance; most notably by the introduction of a board with an external majority as the superior authority of a university, employed/appointed academic leaders instead of elected academic leaders, and an explicit demand for improved interaction with the society at large. However, the university has only restricted leeway to determine its own governance structure within ministry regulations.

The Act granted partial independent legal status to universities and contributes to professionalization of the management of the higher education institutions and improves the conditions for committing to long term strategies. The law offered self-governance to the universities by recognizing them as special administrative entities in public law. The universities were offered scope for enhancing their private funding without risking public funding. The main tools for budgetary allocation became development contracts and other supplementary contracts. The law offered more autonomy in areas such as the approval of new academic programs and the number of staff. However the universities were not given the right to own and manage their estates and do not have the facility to borrow from the private sector (OECD 2008: 91).

The board sets up guidelines for the university as an organisation and defines long-term activities and strategies. The board manages the university funds and enters into a development contract with the Ministry of Science, Technology and Innovation. However, it is up to the university to produce a strategic plan. They are not legally obliged to produce strategic plans, but most of the universities do. The board approves the university's budget and employs and dismisses the rector. On the recommendation of the rector, the board employs and dismisses also the university's executive management (Deans, Heads of Department and Directors of Studies).

## **Part 2: Changes in external governance from 1995 to 2008**

As regards changes in Denmark in the period from 1995 to 2008, we witness changes with respect to:

**The university board:** as part of the Act of 2003 boards with a majority of external members were introduced. Also from 2003 the rectors, deans and heads of departments as part of the law are appointed whereas they were elected in the past.

**Internal quality evaluation systems for teaching:** by law university colleges and universities are responsible for evaluation and quality development of teaching. According to law heads of departments are responsible for quality assurance of research. However the university can freely decide on the methods it wants to use in quality assurance of teaching as well as of research. In the past this was up to the university. According to an act on transparency and openness in education of 2002 universities are also obliged to publish the outcomes of evaluations of teaching and research.

**Appointments:** universities are free to decide how many and which types of senior academic posts they want. In the past universities required permission from the ministry to establish and fill academic posts.

**Private funding:** Since 1999 universities may generate income from patenting.

# External Governance Fiche: Estonia

## **Part 1: External governance arrangements for public universities in 2008**

Estonian Universities have significant leeway to determine their own internal governance structures within broad guidelines set out in the Universities Act that for example sets out the roles and powers of the Rector and the University Council. In terms of staffing universities are free to decide how many and which type of senior academic posts they wish to employ; they are free to appoint individuals of their choice to these positions and to decide on their salaries.

In terms of the selection of Bachelors students, criteria and procedures are set by the council of the university for both state-commissioned and fee-based study places. In most universities students are ranked according to the secondary education examination results (plus additional test results in some cases) and study places are filled accordingly. Sometimes an examination score is fixed above which all candidates are accepted. The funding of study places by the Ministry of Education and Research is based on the commissioned number of masters graduates specified in the contract between the University and the Ministry. So the University has to create the number of bachelor study places needed to be able to reach this target (in practice at least 1.5 bachelor level study places for each commissioned masters graduate). The specific number of commissioned study places as well as the number of fee-based study places is determined however by the University (Council).

The accountability requirements for Estonian universities are relatively modest. They are obliged to produce a strategic plan but the university can decide on its contents and the plan is not subject to approval by the Ministry. They are also obliged to submit an annual report to the Ministry and other external stakeholders, an audited financial statement to the Ministry and to provide data and information for national databases.

Universities are free within the legal framework of the country to enter into partnerships with other higher education institutions and with other public or private organisations without seeking Ministry approval.

In terms of quality assessment of teaching and research there is no legal requirement for internal quality assurance systems in Estonian universities. In practice however the criteria for the allocation of state funded places and for the accreditation of degree programmes require such systems for the evaluation of teaching but the universities can decide on the methods they wishes to use. In the case of the internal assessment of research it is up to the university to decide whether and how to do this. External evaluation of research is a pre-requisite for two major public research funding streams and for the accreditation of doctoral programmes.

Universities are free to determine the contents and teaching methods of the educational programmes they offer provided that they have been accredited. Research programmes and themes are determined within the university although national and European priorities have an increasing impact on these decisions as more funding is targeted at these priorities.

Estonian universities have full financial autonomy in terms of how they spend both public and private funds (subject to contractual conditions) and in being able to generate private funding from many different sources including their own commercial activities.

## **Part 2: Changes in external governance from 1995 to 2008**

Estonia is a small transition country still experiencing changes in most of the areas of economic and social life since the late 1980s. Reorganisation of the higher education and R&D system began in the early 1990s followed by another round of profound changes in the late 1990s. The high degree of autonomy of universities regarding academic policy, internal management of salaries, human resources and fiscal affairs dates back to the Universities Act in 1995. While there have been changes since 1995 these have not been fundamental changes and the overall level of decision-making freedom of Estonian universities has been more or less constant over the whole period. The area in which there has been significant change is in the area of the quality assurance.

The 1995 Act introduced the formal basis for institutional and program accreditation. Enforcement of the standards described was gradual as the bodies responsible for accreditation, their statutes and the requirements and procedures were being developed at the time. Accreditation of curricula started on a pilot basis in 1996 and became regular practice in 1997. As an important landmark in 2003 six public universities signed a *Quality Assurance Agreement* according to which regular evaluations of quality have been carried out by the Quality Assurance Committee formed under the auspices of the Estonian Rectors' Conference. Some of the requirements set out in the agreement were formalized and a dual quality assessment system was introduced in 2008 with an amendment of the Universities Act. The material amendments concerning quality assurance included the formation of *Higher Education Quality Agency* for independent and internationally accepted external quality evaluation. During 2009-2012 all the HEIs (private and public) will have to (re)apply for the licence to provide education at the level of higher education.

# External Governance Fiche: Finland

## **Part 1: External governance arrangements for public universities in 2008**

Universities in Finland have a very high level of autonomy in the fields of staffing issues, BA student selection, entering partnerships, teaching and research programmes and funding and finance both in comparison to the midpoint scale and the European mean. There is less autonomy concerning accountability and quality assurance of teaching and research and not a lot of autonomy with respect to internal governance structures in accordance with the midpoint scale.

In 2008, The public universities have significant leeway in determining their own internal governance structures though within guidelines set by the Ministry. This gives an indication of autonomy yet control still exists by the Ministry.

Universities are free to select their Bachelors students provided they meet the required entry qualifications and are also free to set the number of students to admit. Admissions for universities and polytechnics are based on the principle of restricted entry (numerus clauses), but universities can decide to take in more students.

The universities are legally obliged to produce a strategic plan though they can decide on its contents without any restrictions and the plans are not subject to Ministry approval. The universities are obliged to submit annually audited statement, supply information detailing compliance with other national policies and publish the outcomes of teaching and research. Universities' performance is monitored using the KOTA database maintained by the Ministry of Education. The KOTA system is used to implement the annual information exchange for the performance negotiations between universities and the ministry to follow up the achievement of objectives and other reporting.

Finnish public universities are not heavily regulated concerning the establishment of partnership only with respect to the financial regulation of public-private partnerships. The ministry encourages partnerships through the performance agreements. Universities usually enter into joint educational programmes and research projects with other higher education institutions.

Research programmes and major research themes are determined within the universities though national priorities have a major impact on the decision. They are also free to start new bachelor's programmes though subject to approval of the Ministry and are also free to determine the programmes' contents and programmes teaching.

## **Part 2: Changes in external governance from 1995 to 2008**

Significant changes in institutional autonomy occurred with respect to staffing issues, quality assurance of teaching and research and funding and finance.

On staffing issues the universities are free to appoint 'regular' full time senior academic staff, but the National or Regional authorities set the salary levels. In 1995 the appointment of permanent professors in Finnish universities was carried out by the head of state, the President of the Republic. Due to an amendment to the Universities Act in 1998 professors are now appointed by the universities themselves.

According to the University Act (1997) the institutions are responsible for the evaluation of the quality of their activities. The national quality assurance system is coordinated by the Finnish Higher Education Evaluation Council (FINNHEEC) which is an independent body assisting universities and polytechnics and the Ministry of Education in matters relating to evaluation. The council organizes institutional, programme and thematic evaluations and has started to organize audits of institutional quality assurance. Furthermore, it provides advisory and consultancy services in the implementation of the evaluations, develops evaluation methodology and disseminates Finnish and international practices to higher education institutions and the Ministry of Education. The universities are required to have both internal and external quality evaluation systems for teaching but can freely decide on the methods its wants to use. Similarly they are required to take part in both internal and external evaluation for research. For the internal evaluation of research the universities can decide freely on the methods it wants to use and the external evaluation applies only to a small part of basic research eg for projects funded by national research councils and similar funding bodies.

Over the last ten years a transfer from line item budgeting to a lump-sum budget and from history based to formula funding took place. The universities are now free to decide on the internal allocation of public and private funds, are free to build up reserves from one year to the next and have flexibility in use of public operational grants cover several categories of expenditure.

# External Governance Fiche: France

## **Part 1: External governance arrangements for public universities in 2008**

In 2008, the universities can have more autonomy than previously if they have chosen the path to autonomous status. The Law for the Autonomy of the Universities passed in 2007 represents a turning point in the university governance. The Universities which decided to become autonomous have now more responsibility for administrative and research activities. In practice, they benefit from further financial and social resources decision-making. Even though we cannot measure impact nowadays, this reform is expected to increase effectiveness of the administration organisation.

## **Part 2: Changes in external governance from 1995 to 2008**

**Internal governance structures:** the increase autonomy of the university has been accompanied with the change governance of the university which is even though regulated by the state.

**Staffing issues:** The status of the universities staffs both teaching and administration has not known a great change until 2008, many changes are occurring in 2009 with the reform of the teacher-researcher status.

**BA Student selection:** Students are not selected in the first year. The selection process has been implemented at the level of Master after the degree. While, 'Grand Ecole' selects their students with a competition.

**Accountability:** The level of accountability was quite high because of the four contract program established between universities and states. The level of accountability has also increased due to the extension of the LOLF (law for public administration accountability) to the university.

**Entering partnerships:** Universities have increased their freedom to enter in partnership with other HE institutions and research laboratories, because of the new governance structure of the university and the PRES. AS PRES aims to favor the cooperation among different HE institutions.

**Quality Assurance T&R:** The evaluation system of the university has been just implemented. The internal evaluation is also the result of the reinforced external evaluation, so the score cannot show the improvement in term of internal and external evaluation.

**T&R programmes:** In term of teaching activities, there is not a particular change to underline in the last years; universities are free to start new programs and the content of the courses.



**Funding and finance: Again, the increase autonomy allows to university to decide about the resources administrations.**

# External Governance Fiche: Germany

## Part 1: External governance arrangements for public universities in 2008

In 2008, in relation to the midpoint scale Germany has a higher level of institutional autonomy concerning internal governance structures, entering partnerships, quality assurance of teaching and research and funding and finance. Public universities have full institutional autonomy concerning entering partnerships and a very high level of autonomy concerning funding and finance. There is no autonomy with regard to staffing issues.

The universities are free to determine their own internal governance structures, the structures are defined in the universities' statutes which are mainly concluded by its assemblies and approved by the respective state ministries.

Universities may only fill positions that are included in their budgetary plans. The appointment of senior academic staff has to be approved by the ministry. Salary levels of academic staff are set by the national or regional authorities since academic and administrative staff are employees of the public service. Deviations to a higher salary can occur in case of negotiations when senior academic staff receive a call from another university.

The universities have limited freedom to select their Bachelor students within local and national mechanisms. Qualified students are allocated to study places at different universities by a national agency depending on their subject and whether it has a local or nationwide restriction (*numerus clausus*). For the majority of courses there are no restrictions on the number of applicants to be admitted and no special admission. In popular courses in which the total number of applicants exceeds the number of places available there are national quotas. Places are awarded by the Central Office for the Allocation of Study Places (ZVS) on the basis of the average mark in the Abitur (secondary school leaving certificate). There can be local restrictions on admission by the higher education institutions. In this case the responsibility for the admission of applicants lies with the higher education institution. Especially with the introduction of the new Bachelor's and Master's programmes a significant number of universities choose to introduce local restrictions in order to choose the applicants. In some respects the decision on the number of study places is up to the university. It is decided by the department and approved by the senate, but there exists a special law in all 16 Länder that regulates the study capacities in Fachhochschulen and Universities (= *Kapazitätsverordnung/KapVo*).

Presently universities are obliged to produce a strategic plan for the university which outlines its main strategic objectives and this plan must be approved by the ministry even though it is usually a formality. The universities are obliged to publish their

activities in an annual report to be submitted to the ministry or other external stakeholders, they are also required to submit an audited financial statement. Universities are also obliged to supply information demonstrating compliance with other national policies and provide data and information to update national databases.

Universities are free to enter partnerships with other universities, higher education institutions and organizations without ministry approval being required. There are partnerships funded by the German Academic Exchange Service (DAAD) in various disciplines, e.g. subject based partnerships with developing countries or project based exchange programmes with countries the world over. The state actively promotes such partnerships through public agencies like the DAAD and private foundations.

Public universities are required to have internal quality evaluation systems but the universities can decide on the methods to use which the ministry will have to evaluate. The internal evaluation consists of a systematic inventory and analysis of teaching and studying, taking into account of research, performed by the individual department or the faculty and concludes with a written report.

In all 16 Bundesländer the higher education law obliges universities to accredit their study programmes. In some Bundesländer Bachelor programmes only have to be accredited by agencies and in some Bundesländer they need an accreditation by agencies and a permission by the ministry. There are currently 7 accreditation agencies in Germany which must be licensed by the national accreditation council. Furthermore Universities are free to conduct additional peer evaluations as part of their internal quality assurance system. There is a mix of accreditation and evaluation but no institutional quality assessment.

In most higher education laws of the 16 German Länder universities are obliged to evaluate their research activities. The methods are not fixed. There is no university-wide evaluation of research. Only third party funded research is evaluated regularly by external referees. On the state level the rate of third party funding received by an institution serves as indicator for research performance. Major research themes are determined within the university. There are no “programmes” at the institutional level, only an identification of focus themes, i.e. successful research topics which contribute to the building of the profile.

The universities are free to decide on the internal allocation of public and private funds although a large part of the budget is fixed. They are not allowed to borrow funds from the capital market and are free to build up reserves from one year to the next for a majority of the states but not all. The universities are free to flexibly spend their public operational grant to cover several categories of expenditure such as teaching, ongoing operational costs and/or research.

## **Part 2: Changes in external governance from 1995 to 2008**

There were significant changes in autonomy with respect to BA student selection, accountability, quality assurance of teaching and research and funding and finance. As with other European countries measures of accountability and quality assurance led to a decrease in institutional autonomy, while there was an increase with regard to BA student selection and funding and finance.

With respect to the content and teaching methods of Bachelor programmes there was a change from government approval to accreditation agencies' approval. The government is still in charge when it comes to state regulated professional courses like teachers' education, law, medicine and Christian theology.

Since 1994 various structures have been established for supporting both internal and external evaluation of teaching and research. Before 2000 no Bachelor programmes and no accreditation agencies existed in Germany. The state was not interested in quality assurance. There were four-year- and five-year-programmes with Master degree or Diplomas. Fachhochschulen and Universities were free to determine the content of the Master and Diploma programmes. Prior to 1998 the government had to approve study programmes, since then it is accreditation agencies. Since 2008 there is an alternative to the accreditation of single study programmes. Universities have the possibility to accredit their internal quality assurance systems for teaching and learning by German accreditation agencies.

In 1998 the universities had no freedom to decide on the internal allocation of public funds but by 2008 they have leeway and can build up reserves from one year to the next. A key change in the last ten years was the change from line budgeting to lump sum budgeting.

# External Governance Fiche: Greece

## Part 1: External governance arrangements for public universities in 2008

In 2008,

**Internal governance structures:** The University is run by the senate, the rector's office and the rector. Officially the governance of Greek universities could be characterised as highly academic with the senate being the most significant body and having the overall responsibility for the institution, including the strategic planning, the drafting of the recurrent budget and the supervision of academic as well as financial and administrative issues. The senate consists of the rector, the vice-rectors, the deans, the heads of departments, delegates of every academic rank, one student representative from every department, two representatives from the postgraduate students and finally one delegate from the administrative staff, one from the auxiliary research-scientific staff, and one from the technical staff (Law 1268/1982 and Law 2083/1992). The need for more flexible managerial governance has been met by the rector's council which consists of the rector and vice-rectors, one student representative and the head of administration. The competency of the rector's council has broadened significantly over the last decade, covering almost all issues of university life, including those that were once discussed solely in the senate. Regarding the rector's responsibilities, he leads the university, supervises the operation of offices, departments and faculties, represents the institution in legal matters, arranges the senate and rector's council meetings etc. The role of the rector has also gained in significance during the last ten years and changed from that of a prestigious but rather honorary title of 'primus inter pares' to that of a most-desired executive post with sufficient authority and control over academic and financial issues.

**Staffing issues:** HEIs are not free to decide on number and type of posts. Salary levels are set up by the Ministry.

**BA Student selection:** All students who finish secondary education and succeed in the general entry exams -organised by the Ministry of Education- are granted access to higher education.

### Accountability

**Entering partnerships:** Article 1 of the law 3549/2007 adds new elements compared to the older framework law about the mission of the HEIs (AEIs and TEIs). The attainment of social cohesion for instance, or the collaboration with other HEIs and research centres in Greece or abroad and their contribution for equity between men and women are some of them.

Quality assurance T&R: There are mandatory national quality assessments for teaching and research organized by the Hellenic Quality Assurance Agency (HQAA). The law on quality was introduced in 2005 and up to now 4 departmental evaluations have taken place.

T&R programmes: New programmes can only start after the Ministry's approval.

Funding and finance: HEIs are funded by the State -although the responsibility for financial management lies with them-, and grant the HEIs with the right to establish companies under public or private law in order to manage their property.

## **Part 2: Changes in external governance from 1995 to 2008**

We see change with respect to determining on:

Internal governance structures: Institutional governance is affected as it introduces a slight change in the voting procedure for the posts of the rector and vice-rectors (article 8). In this case the electoral body will consist of the total number of academic staff ( $\Delta\text{E}\Pi$ ), undergraduate and postgraduate students, E.E. $\Delta$ I. $\Pi$ . and ETE $\Pi$  staff<sup>2</sup>, as well as administrative staff. The final score for every candidate will be calculated multiplying a factor of gravity representing each group of the above academic community, namely 0.50 for the  $\Delta\text{E}\Pi$  group, 0.40 for the student group and 0.10 for the rest of staff altogether. The elections for the head of department will be conducted in a similar manner.

The structure of the administration services at institutional level may vary in detail but are identical in their state-designation and their civil-service mission. It is the structure of a public institution in a state-centred system, therefore it is highly bureaucratic, complex and staffed almost with civil servants. The usual structure consists of General Directorates (e.g. General Directorate of Education) that are subdivided into directorates and departments covering all services and offices across the institution. The post of the head of administration according to the laws 1268/1982, 1566/1985 and the Presidential Decree 388/83 must be filled after proclamation and can be occupied by candidates outside the civil service sector and the institutional hierarchy. The new law 3549/2007 abolishes this particular post and establishes the post of the Secretary with similar competences and similar appointment methods. The most obvious difference is that due to the new law the tenure will be four years instead of a three-year tenure that is now in effect.

Accountability: Articles 18 and 19 (law 3549/2007) demand transparency, publicity and social accountability. The Greek HEIs will be obliged to keep a web-page providing information on: financial management, funding resources, decisions of the

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<sup>2</sup> According to law 1268/1982 the electoral body constitutes of the total number of the academic staff and representatives of the student body and the remaining university staff.

governing bodies, services, estates etc. Additionally, at faculty and departmental levels they must provide information about their study programmes, they must publish the *curricula vitae* of all their teaching and research staff and all the information should be available at least in Greek and English. A brief comment in relation to these two articles: although they seem to cover a void in Greek legislation, they do not add anything significant in real terms, since the majority of AEs and TEs already keep a webpage in both English and Greek with the required information. Finally, the social accountability of HEIs will be examined every year in Parliament, where a yearly report prepared by the Minister of Education about the overall situation in higher education and with recommendations for the future will be discussed. At this discussion representatives of the HEIs might take part (article 19).

### Entering partnerships

Quality Assurance T&R: In 2005 Law 3328 established a new agency for the recognition of degrees, the Hellenic National Academic Recognition and Information Center (Hellenic NARIC). Law 3374 introduced Quality Assurance in higher education, ECTS and the Diploma Supplement. This law was not applied at institutional level and is still in disuse. In March 2007 and after a year of riots, fierce opposition from the academic community and several political parties, the Greek parliament passed a new framework law on higher education that replaces the framework law 1268/1982 and its several amendments and revisions. The government announced that the law will become operative at the opening of the academic year 2007-2008.

T&R Programmes: The activity of the Operational Programme had a deep impact on Greek higher education, since it became the keystone for the establishment of new departments, postgraduate programmes and research projects. Moreover, it gave the necessary impetus in financial, but also in conceptual terms for significant changes at institutional level (new subjects of study and research, new *curricula*, additional staff etc).

An international-oriented regulation is introduced by article 17 that gives the choice to HEIs to organise partly or entirely their undergraduate and postgraduate programmes in a foreign language.

Funding and finance: A new allocation model of state funding is described in article 5. The most significant aspect of this article is that the HEIs will be obliged to conduct a four-year development plan that will cover all the operational costs, academic and financial matters, suggestions for development and investments, as well as the planning to find sources of funding, other than the recurrent budget. Again the law is threatened with ramifications if the demands of article 5 are not met. The same article activates indirectly the regulations on quality assurance as described by the law 3375/2005, as it constitutes the compliance to the latter as a prerequisite for a positive judgement by the Ministry of the institutional development plan. The above article is supplemented by article 7, where particular

financial transactions are described as well as the creation of an internal financial audit system that will operate ex ante and ex post controls.

It also has to be noted that the higher education sector in Greece is characterised by a binary system that consists of public universities and public Technical Education Institutions (TEIs). The law distinguished explicitly the role and direction of the technological institutions (TEIs) from that of universities (AEIs) and clarified that TEIs were part of the tertiary education (but still not part of higher education). Additionally, the normal length of study in the TEIs was three years. In 2001 law 2916 replaced the previous law 1404/1983, declared the TEIs as part of Higher Education, increased the normal study to four years and made them equal in many ways to AEIs (although in order to award postgraduate degrees they have to collaborate with an institution of the university sector (AEI). Apart from these two categories of higher education, there are also higher religious schools, higher military schools, as well as the higher police academies, that are part of the tertiary education and are supervised –apart from the religious schools that are under the jurisdiction of the Ministry of Education – by other ministries such as the Ministry of National Defence, Ministry of Mercantile Marine, the Ministry of Public Order etc.

There are no changes in terms of staffing issues and BA student selection.

For better or worse, as usually happens with legislation in Greece, the majority of the articles or laws are abolished or revised by subsequent laws introduced by different governments.



# External Governance Fiche: Hungary

## Part 1: External governance arrangements for public universities in 2008

Hungarian universities enjoy some freedom in their decision making in some respects but not in others. On average the decision making freedom of Hungarian universities is rather limited, if at least we look at the formal requirements and procedures.

They have significant freedom when it comes to entering partnerships. The well-known universities have long-lasting, contractual relationships with large organizations. Company leaders can be members of different university advisory committees. Sponsorships are a common reason for such agreements, but advantages can be mutual (using university resources for instance). The smaller universities are more sensitive for having partnerships with local companies and local governments. There are no direct (financial) incentives from the Hungarian government to stimulate university-industry partnerships, although the latest National Development Plan (2007-2014) mentions to establish regional consortia involving various stakeholders. It is also possible – without government control – for universities to decide to partner with other HEIs. This however is rarely the case, if at all. While the HE Act of 2005 allows for joint programmes, there are hardly any initiatives. There might be a need for ‘forced collaboration’ in the near future because some small institutions are in jeopardy (low enrolments and financial troubles) and they may see themselves forced to merge with universities in the region – this is legally possible.

Financial discretion of Hungarian universities is restricted. They can borrow money on the capital market and they can build up reserves, but these are subject to government regulations. Universities are for instance not allowed to trade on the stock market. Since 2005, universities do need government approval for building up reserves but they have to report on this to the ministry. Universities can allocate privately generated funds as it wishes, but their freedom to decide on the internal allocation of public funds is restricted. The funds from the government are earmarked (teaching, research and maintenance), but it is possible for universities to transfer money between the three categories. Investments are subject to ministerial approval and the ministry can participate in the selection of investors.

Research programming is an internal university matter. External matters have always influenced the selection of research topics. Hungarian universities have some freedom in starting new Bachelors programmes, but this is subject to approval by the ministry in terms of system capacity planning and to accreditation of the national accreditation agency. In 2005, the ministry of education published a list of (about 120) Bachelor programmes and this list is sealed till 2009. The HEIs can apply to the Accreditation Committee to offer a programme from the list, on which the ministry should agree. In 2009, it will be possible to establish new Bachelors programmes.

This however will not be initiated by single universities but by a consortium of HEIs. The Hungarian Rectors Conference should give its support to the initiative before sending it to the Accreditation Committee. As regards the contents and teaching methods of Bachelors programmes the Accreditation Committee makes a proposal for the educational and output requirements of all approved Bachelors programmes and the ministry officially publishes them. These requirements contain broad areas for compulsory topics and their proportion in the curriculum. The university has the right to plan the subjects (modules), the curriculum and the teaching methods.

Both for teaching and research Hungarian universities have considerable freedom in establishing *internal* quality evaluation systems. For teaching it is compulsory (since 2005), but there are no detailed prescriptions, i.e. the universities can decide on the methods it wants to use. As regards *external* quality evaluation systems the situation is different. The Hungarian Accreditation Committee (HAC) is the legal external quality agency for all HEIs. Universities are obliged to take part in external quality assessments and the process is prescribed by the HAC. Both the university and its programmes are being evaluated. Each HEI and its programmes must be evaluated at least once every eight years. There are minimum standard that must be met; universities have to provide a self-assessment report including all the university activities (teaching, research, administration, management, human resources, and infrastructure). In the last fifteen years only one or two institutions did not meet the minimum criteria. For degree-granting of a certain programme the university needs approval from the HAC. The HAC has disciplinary subcommittees which assess the programmes.

Although the evaluations focus on teaching particularly, the HAC also provides minimum standards for research. The Hungarian Academy of Science plays a special role. It has an informal role of keeping research standards and awarding excellence and it manages research funds. This academy has research institutions (with full-time staff). It has subcommittees and bodies concentrating the best researchers, (partly) determines the national research programme and awards prestigious titles. The majority of academy members are university professors. It means that (the best) professors have a double role: at their institutions and at the academy.

The universities have significant leeway to determine their own governance structures within the broad guidelines that are set by the government. In fact in 2005 the government announced that universities could determine their own governance structure (except for establishing new Faculties which must be approved by the Hungarian Accreditation Committee), but for the moment this opportunity has not been used, meaning 'old' structures are still in place.

Hungarian universities are obliged to produce a strategic plan which outlines its strategic objectives. The ministry has to approve it, which used to be a formality. The Institutional Development Plan serves as a contract between the ministry and the university and must be updated when significant changes are proposed by the university. Moreover, universities must publish their activities in an annual report that must be submitted to the ministry. Performance data are not public, although

more and more information is available on websites. Universities are also obliged to provide data and information to update national databases.

Universities have hardly any freedom to make decisions concerning their staff. They require permission from the ministry both to establish and/or fill senior academic posts and to appoint individuals to these positions. The procedure is as follows. The university decides to establish a post and selects a person for this position. They send the documents of the proposed candidate to the HAC, asking for approval. After HAC's assessment, the university senate decides to nominate the person and sends its proposal to the minister who in turn sends his/her decision to the President of the Republic. Full professors are appointed by the President, although his role is formal. The minister can overrule previous decisions. Salary levels are set by the government; university staff has the public servant status.

Hungarian universities are not free to select their Bachelors students. The individual universities have state financed places according to a study area (e.g. 250 for humanities). For eleven study areas the ministry determines the distribution across the institutions. Besides that universities have self-financed study places depending on their capacity. Also the self-financed study places must be approved by the ministry on the basis of capacity planning. The number of study places for each institution is published in December; the application deadline for student is 15 February. The score on the secondary school exam and the places available determine where an applicant will be placed; high marks will increase the possibility to study the preferred programme. In 2008, all applicants found a programme because the availability of state and self-financed places more or less equalled the total number of applicants.

## **Part 2: Changes in external governance from 1995 to 2008**

Over the last decade Hungarian higher education underwent a substantial number of changes with respect to governance (as well as to funding). In summary, the major changes concerned the integration of HEIs in 2000, the increase of institutional freedom in setting their own internal governance structures (although not materialised in practice) and the establishment of Financial Boards in 2005. Also in funding shifts have occurred (see elsewhere). In more detail the following changes can be reported.

Before the millennium Hungarian higher education was highly fragmented. There were many highly specialised institutions, usually operating only in one discipline. Through mergers, imposed by the government, it was intended to increase the system's efficiency. The number of state-owned universities seriously dropped and regional universities were created. In other words, we witnessed an institutional restructuring at the system's level.

Before 1993 the internal governance structure of universities was legally prescribed in great detail. Between 1996 and 2005 universities tried to 'modernize' their

structures to the extent possible. In 2005, the new national act on higher education increased the university's freedom to determine its own governance and management structures. Hungarian universities do not own their property (state-owned), but over the last ten years the flexibility of the ministry, and its agencies, has increased.

In 2005, Financial Boards were introduced at the institutional level for all public universities. Originally the idea was to give this Board decision making powers (with respect to financial and strategic matters) but after a decision of the Constitutional Court its role changed into an advisory board for the Senate. It should advise, monitor and evaluate the university budget and strategy. Usually chaired by the rector, the Financial Boards have seven to nine members, appointed for five years: two-three persons from the ministry of education, two-three from the faculty (delegated by the Senate), a student representative, the university financial director and the rector.

The 2005 HE Act made internal quality assurance compulsory, although the guidelines are broad and give universities significant leeway. As one result of the introduction of the Bologna principles the Hungarian Accreditation Agency re-accredited all teaching programmes. Universities were not required to have quality evaluation systems for research for a long time, but these days it is required to have them, but the university can freely decide on the methods it wants to use.

Developing partnerships with other organizations is a 'mandatory part' of the institutional strategy, but in practice not too much is happening. The 2005 HE Act allows for joint programmes, but there are not such partnerships at the moment.

Procedures with respect to starting up new Bachelors programmes changed as well in 2005. In the 1990s submitted proposals for new programmes were sent to the minister (with advice from the Hungarian Accreditation Committee and the Hungarian Education and Scientific Council). These days the minister publishes a list and the university can apply to offer one of the programmes from the fixed list.

Student selection has changed. This was up to the university; they organized entrance exams and filled up state-financed study places. Nowadays there is a central maturity exam to select students to the Bachelor programmes. For Masters programmes the situation is different: one third of a Bachelors cohort will be state-financed and the university selects the students. The number of state-funded Master places are allocated by the ministry among institutions involving negotiations with them. In 1995, the public institutions hardly offered self-financed study places. The importance of self-financed study places has increased however.

In terms of appointing full time senior staff a new player entered the scene. Before 2003 the hiring of new staff was a 'game' between the institution and the ministry of education. Since 2003 the Hungarian Accreditation Committee formally plays a role as well.

Institutions have more financial leeway to make their own decision. In the 1990s for instance the public operational grant distinguished activity heading that needed to be complied with. Nowadays universities can use the grant flexibly to cover several categories of expenditure. There is also more freedom to borrow money from the market and to build up financial reserves (although this must be reported to the ministry).

# External Governance Fiche: Iceland

## Part 1: External governance arrangements for public universities in 2008

In 2008, Icelandic public higher education institutions enjoy considerably institutional autonomy on some indicators, and considerably less autonomy on others compared with the EU average. On indicators such as internal governance structure, BA student selection, and quality assurance, the institutional autonomy is limited compared to the average. On indicators such as staffing issues, accountability, entering partnerships, T&R programmes, and funding and finance, the situation is reverse.

Concerning institutional autonomy to decide on their own internal governance structure, Icelandic higher education institutions have limited autonomy. There exist a number of national regulations stipulating the design of the governance schemes.

There is also limited institutional autonomy with respect to BA student selection as all students that fulfil the entrance requirements must be accepted, and that the number of study places is fixed (although subject to negotiations with the Ministry). There is a possibility to limit the number of study places, but in general this is done only in some specific subjects (medicine, etc).

Also with respect to quality assurance institutional autonomy is less than the EU average. Higher education institutions are required to establish systems for internal quality assurance of both teaching and research although institutions have some leeway as to the design of the latter. Institutions are also required to take part in external evaluations.

Icelandic higher education institutions have more autonomy than the EU average with respect to staffing issues. Institutions are free to decide how many and which type of academic posts they want to have, and the salary level is determined within the salary levels set by the state. The latter levels allow institutions substantial deviations from the general framework although this freedom is less used in practice.

In the area of accountability the situation in Iceland is that higher education institutions are not obliged to produce a separate strategic plan although they are required to delineate their aims and objectives as institutions. A number of reporting and accountability schemes are also in place.

Considerable autonomy has been established in the area of public-private partnerships. As such, institutions may engage in partnerships for constructing new buildings for science parks, or to set up educational/life-long learning schemes with private partners. Concerning partnership with other higher education institutions, the Ministry do encourage this. A number of mergers have taken place during the last decade.

Much autonomy is also found in the area of teaching and research (T&R programmes). Institutions are free to decide on research programmes and major research themes, and may establish new BA programmes without any approval of an external body (as long as the academic area the programme belongs to is accredited). Teaching and learning methods is totally up to the institutions to decide upon.

Institutions of higher education have full autonomy concerning the internal allocation of resources, although they in practise allocate resources more related historical factors than strategic ones. Institutions may also borrow money from the capital market, and may build up reserves/transfer money from one year to the next.

## **Part 2: Changes in external governance from 1995 to 2008**

Since 1995, there are some noticeable changes in the decision-making freedom in Iceland. Hence, the 1997 law on universities can be considered as a turning point in the governance of higher education in Iceland. This was an act determining the general framework of the sector, containing the following elements:

Changes in how the higher education landscape was defined. Prior to the new Act, one could argue that Iceland had a binary system of both a university sector and a college sector. However, in the new act any institution was given the opportunity to label itself as a university even without having research as a central part of the activity. Hence, as a consequence, institutional differentiation may be said to have been of less political importance.

More institutional autonomy. Another key element in the 1997 act was an increase in institutional autonomy of institutions allowing them to choose their own internal governance systems, pay systems, and administrative organisation. The key link between the Ministry of Education and the institutions, was that the Rector should still be appointed by the Ministry, which also appoints two members of the governing body.

Increasing external influence in the governing of institutions. In the act, representation in various governing bodies were also changed – reducing the number of internal (academic) representatives at the institutional level, while increasing external representation.

The emergence of a private higher education sector. Several of the current universities in Iceland are private and charge tuition fees (e.g., University of Reykjavik and Bifrost, with the Iceland Academy of the Arts being a self-governing institution), and the 1997 act can be considered as the opening up of a private higher education sector in the country. However, being a private institution does not allow private institutions to make a profit, and these institutions do also receive the same amount of funding for teaching from the state as the public institutions.

The introduction of more systematic external quality assurance. In a number of countries, increased autonomy of higher education institutions is matched by the

introduction of more systematic quality assurance. This was also the case in Iceland although the system cannot be said to be very similar to other European countries as the whole process of quality control was stipulated to be under the auspices of the Ministry of Education itself with rather limited resources available to perform evaluations.



# External Governance Fiche: Ireland

## **Part 1: External governance arrangements for public universities in 2008**

In 2008, public universities in Ireland have a high degree of institutional autonomy. According to the 8 indicators assessed in the table above Ireland shows higher than the mean degree of autonomy against the majority of indicators. Institutions in Ireland have significant autonomy in developing partnerships with other institutions or businesses, in teaching and research programmes, and in allocation of funds. Universities are free to determine internal governance structures and appoint staff, decide upon salaries and select students. The areas where institutions in Ireland receive less autonomy than the mean are in selecting BA students, accountability, and quality assurance in teaching and research.

## **Part 2: Changes in external governance from 1995 to 2008**

The major reform that has introduced changes in institutional autonomy for public universities in Ireland since 1995 is the 1997 Universities Act. The Act intended to increase institutional autonomy around academic freedom, and internal governance of institutions. However, the Universities Act also introduced greater accountability in terms of assessment and quality assurance for teaching and research.

The Universities Act introduced the requirement to produce a yearly strategic plan, the plan must be approved by the university's Governing Authority, but there are no restrictions from the Higher Education Authority (HEA), the body responsible for higher education organizations in Ireland. The Universities Act also requires that institutions must publish their activities in an annual report to the HEA and submit information demonstrating compliance with national priorities. In addition, evaluations of teaching and research as well as data (regarding programmes and staff etc.) must be made available to the HEA for national databases.

The Universities Act also introduced the requirement for institutions to perform internal quality assurance evaluations on teaching and research activities. The institutions are free to decide upon the methods of evaluation, but the HEA performs external reviews of the internal evaluations via the Irish Universities Quality Board. Furthermore, the internal assessments for the "internal quality assurance system" are performed by external reviews, from other institutions. External assessments are also performed on research activities both for general purposes and in order to inform funding decisions. These assessments are performed by the relevant funding agency. External assessment of research does not inform funding for block grant allocations for research, although this is being considered for the future.

The freedom to enter into partnerships has not changed since 1995. However, the increase in funding available for research, and the increased emphasis on collaboration with external partners attached to this funding has enabled significant growth in such activity.

In particular, partnerships among HEIs are encouraged on a regional basis, for example the Shannon Consortium linking a number of institutions in the South West region of Ireland in a variety of strategic initiatives.

It is entirely within the universities' power to decide the content of teaching and research programmes. However, national priorities do have an impact on institution's decisions. This small change in autonomy since 1995 is due to the significant increase in funding available for research, and since the establishment of Science Foundation Ireland in 2003 funding for research has been closely linked to national priorities.

Universities are given full freedom to start new programmes and decide upon teaching, except with regard to a number of disciplines in which student numbers are carefully regulated by the Government, such as medicine, veterinary science, nursing, and teacher training.

Universities are also completely free to decide on the allocation of funds received from the block grant and can distribute finances as they please between teaching and research. Reserves of funds can be built up through carrying over funds into subsequent years. However, institutions are not permitted to borrow funds from private sources. The final two points discussed have remained the same in the time period since 1995.

## External Governance Fiche: Italy

### **Part 1: External governance arrangements for public universities in 2008**

In 2008, Public Italian Universities have high level of autonomy in academic matters, although they are subject to some restriction due to their public status. They can decide their internal organisation, their research agenda, and are free to enter partnership with other HEIs, and with other organizations. The self-determined governance structure is subject to approval by the Ministry of Education, University and Research (MIUR). HEIs can also generate all types of resources. They can flexibly use their operational public grant (lump sum), to build reserves and borrow funds from the capital market, according to government regulations. Some competences still remained in the hands of Government, such as the determination of the status and salaries of researchers and professors, the determination of tuition fees (fees revenues should not exceed 20% of the government core funding), and the regulation for hiring researchers and professors.

Universities can start new programs autonomously, but subject to approval by the MIUR in terms of system capacity planning and quality requirements. Similarly, HEIs are free to decide on number and type of posts, but there are limitations in terms of the share of personnel costs in the total budget. Government introduced some other limitations on teaching programming, in order to counter balance opportunistic behaviours of HEIs (excessive proliferation of the number of courses and curricula, for instance). Apart from the described limitations, public universities are free to determine the contents and teaching methods of all the programmes they offer, and this determination is completely an internal matter, although national research priorities may have some impact if specific incentives are provided.

Autonomy is not paired with a well-developed system of evaluation and accountability. There are not provisions for internal or external quality assurance that neither are completely up to the universities nor are they required to have internal quality evaluation for research. Nevertheless, many Universities are now developing internal evaluation systems, aimed at providing support for internal research funding allocation. For research there is a national evaluation exercise, but it impacts on only a small share of total funding. This situation is supposed to be modified by the end of the current year, when the new National Agency for the Evaluation of University and Research will become operative.

As to funding, public universities are free to generate all kind of private funding, apart from those deriving from university establishing its own private companies. In some cases the MIUR permission is requested. The internal allocation is completely up to the university.

## **Part 2: Changes in external governance from 1995 to 2008**

Comparing 2008 and 1995 we can see that Government regulations affected substantially the level of autonomy, enlarging it, but they did not impact the governance structure. Italian HE system belongs to the continental tradition and it has been quite stable until the end of the eighties. Law 168/1989 introduced the complete financial and scientific autonomy of universities and a wide organizational autonomy; the universities could also change their statutes, although law specified some boundaries. Law 537 in 1993 and financial laws in 1995 and 1996 completed the regulation of autonomy: universities became responsible for their financial situation and recruitment policies, the relationship between State and universities was supposed to be based on the accountability principle, a specific body was settled to evaluate research and teaching activity (Osservatorio per la valutazione del sistema universitario, then CNVSU). The implementation of the aforementioned regulations was rather incomplete.

In the considered period, no comprehensive reform of the HE governance has been promoted by MIUR. Universities have modified their statutes, but the governing structure always sees: the key role of Rector, Senate and CdA, with frequent overlapping functions between SA and CdA; shared governance at faculty and department level; steering capability that hardly reaches the level of researchers.

The lack of Government initiative in most cases went with the inertia of the public Universities. The overall picture shows a stable situation from mid nineties until 2008, with the maintenance of good level of autonomy, apart from the introduction of new budget constraints, thresholds for the student enrolment (selection criteria and number of study places), and for the setting of new courses.

Although the share of funding coming from competitive public research grant and from market showed positive trend with respect of the overall budget, public universities are still largely dependent from the Government core funding.

## External Governance Fiche: Latvia

### Part 1: External governance arrangements for public universities in 2008

Compared to the EU average, in 2008 Latvian higher education institutions enjoy considerably autonomy on a number of indicators. The institutions in Latvia have more autonomy than the average EU institution with respect to staffing, accountability, entering partnerships, T&R programmes, and have equal autonomy with EU institutions in funding and finance issues. However, Latvian higher education institutions have less autonomy than the EU average in areas such as internal governance structures and quality assurance. A special case is the area of BA selection where a national exam was introduced in 2001/2002 limiting the autonomy of the institutions regarding the selection of students (this concerns the state subsidised study places). However, at the same time, institutions are free to accept tuition fee paying students, and are also free to set tuition fees. Hence, one could argue that in the area of BA selection one can argue for the parallel existence of both very limited but also very large institutional autonomy.

Latvian higher education institutions have very limited autonomy concerning the ability to decide on their internal governance structures. Currently, there are a number of governmental regulations restricting the way institutions may be governed and led. This situation is about to be changed as a new Law on higher education is currently discussed by the Parliament (Saeima).

Another area in which limited institutional autonomy can be found is in quality assurance. While it is not unusual that there exist a national requirement for such procedures, it is more unusual that rather detailed methods are specified – which is the case in Latvia. This has in some institutions led to the establishment of additional quality assessment procedures (i.e., meta-evaluations carried out by special commission where the majority of members are from the institutional administration). New study programmes are also required to obtain accreditation before establishment.

However, Latvian higher education institutions have more autonomy on other indicators. For example, currently are institutions free to appoint senior academic staff (although there was a period between 1997-2005 where professor positions were distributed by the Ministry after proposals from the Higher education Council). With respect to salary levels, minimum national requirements are specified, but there are no upper limits to the pay scale (this freedom is in practise not much used by the institutions).

Latvian higher education institutions are not required to produce a strategic plan, but there are a number of other accountability schemes institutions must comply with. For example, there are requirements for an annual report to the Ministry,

financial statements, to publish outcomes of evaluations of teaching and research, and to provide data and information for national databases.

With respect to T&R programmes, Latvian higher education institutions have considerably autonomy although new bachelor programmes are subject to accreditation, and that research plans are to be approved by the Ministry (due to the financial crisis, in 2009 no such approval is demanded).

In funding and financing issues the autonomy of Latvian higher education institutions are in line with that of EU countries in general. Internal allocation of resources is not allowed, and is subject to governmental regulations, while borrowing on the capital market, building up reserves, and deciding how the operational grant is spent are matters more up to the institutions to decide.

## **Part 2: Changes in external governance from 1995 to 2008**

Since 1995 several reforms and policy initiatives have been taken in Latvia that affects the decision-making freedom of public higher education institutions. The 2001 introduction of more contract-like arrangements between the Ministry of Education and the individual higher education institution is one example intended to stimulate a more unified and shared development in higher education. Latvia has also developed a separate strategic body, the Higher Education Council, to advise the Ministry on strategic issues. The council has the authority to develop the National Strategy of Higher Education, to launch proposals concerning quality improvement possibilities in the higher education system, to review and advice on the annual budget proposals to the sector, and to coordinate various policy initiatives into an overarching framework. Due to the fact that several ministries in Latvia has responsibilities for higher education institutions (in e.g., arts, music, agriculture, etc), the members of the council consists of various public and private stakeholder groups, including business and industry. Resolutions from the council are binding for all higher education institutions.

As a response to the more systematic governance approach being sought developed in Latvia, most higher education institutions have formulated and implemented their own development strategies and plans on issues such as personnel, curriculum and research development. Studies indicate the Rector is considered to be an important actor in developing the institutional strategy, but since the Rector is elected, issues have been raised about the strategic governing capacity of the institutional leadership in higher education, and especially in the period between 2001 – 2004 several amendments to the Law have been made to ensure and enhance the governing capabilities of the rector and the Senate. However, the division of labour between the Rector and the Senate is still unclear in some areas, not least in financial management.

In 2006 the law was amended again establishing all state higher education institutions (except for the Academy of Police and the Academy of Defense) as

“autonomous public entities” creating a more clarified relation between the Ministry and the institutions. Hence, institutions of higher education are currently independent legal bodies. Based on this legislation, higher education institutions can also establish sub-units such as foundations and for-profit arrangements to enable them to establish a more diversified funding base. This latest amendments also reduced the number of mandatory decision-making bodies inside higher education institutions, and paved the way for new councils (up to the individual institutions to establish) intended to strengthen the strategic capabilities of the institutions. In these councils with both external and internal representation, greater adaptability of societal needs is a key task.

A key reform in Latvia during the last decade was the 2001/2002 introduction of formula funding of HEIs aiming at improving the emphasis on results and outcomes. This system was first introduced for universities, and was later (2007) also implemented in the college sector. Traditionally, funding in Latvia was based on a rather detailed line-item budgeting model that had to have the approval of the Ministry of Education. In the new system, funding is allocated on the basis of a contract between the individual institutions and the ministry responsible for that institution. The new formula funding system is together with tuition the two most important sources of income for higher education institutions. However, for many higher education institutions the income from the state funding system only covers for less than half of the budget. In addition, the state budget is channelled through various ministries who have ownership of certain institutions. Furthermore, regional authorities and municipalities may also fund institutions, especially those established during the last 10-15 years. In general, this creates a highly diversified funding system.

Both public and private higher education institutions charge tuition fees, and the institutions can decide on the level of fees themselves. However, not all students pay fees. In 2009, about 27 percent of the student population was financed through state-subsidised study places while 73 percent paid tuition fee. There is no cap on the number of students a given institution can enrol if that student also in paying tuition. In most state institutions, students that fulfil the grade requirements retain the state-subsidised status for the entire length of the study programs. Although tuition fees represent the an important source of income for higher education institutions in general, tuition is of particular importance in the fields of social science and humanities. Since January 2009 institutional autonomy concerning the possibility to reallocate resources internally has increased. Hence, funding is currently given through a lump-sum grant, and institutions are free to use this by their own discretion. This also includes institutional autonomy in how to spend the income generated from tuition.

As part of the “contractual” governance arrangements in Latvia in 2006 the Ministry introduced a procedure for approval of the research plans of individual HEIs with the establishment of separate funding for strategic research activities. However, in practise there is no formal approval of institutional research plans although

institutions do develop these. In general, funding for research is based on competition which also makes the realisation of research plans more difficult.



# External Governance Fiche: Liechtenstein

## Part 1: External governance arrangements for public universities in 2008

Since 1992, Liechtenstein formally has its own higher education system. The *Liechtensteinische Ingenieursschule* (formerly *Abendtechnikum Vaduz*) was recognised as a university of applied sciences. In 1999, the first professorship position was established. In 2005, the status of this institution changed from *Fachhochschule* to *Hochschule* and in 2008 the *Hochschule Liechtenstein* became a full university with the right to offer doctoral studies. The higher education system today is composed by four institutions:

the public *Hochschule Liechtenstein*, the *Internationale Akademie für Philosophie*, the *Private Universität im Fürstentum Liechtenstein* and the *Liechtenstein-Institut*. Additionally, the country is part of the sponsorship of the *Interstaatliche Hochschule für Technik Buchs* (NTB), which is part of the university of applied sciences in the eastern part of Switzerland (*Fachhochschule Ostschweiz*, FHO). The higher education system is restricted to a few fields, and around 90% of all students from the country study abroad.

The higher education system in Liechtenstein is under the authority of the government (executive body), which is supported, at the administrative level, by the *Schulamt*. In 2004, a new law on higher education was introduced, the *Hochschulgesetz 2004*. This law describes the tasks and position of higher education institutions, accreditation (including different types of accreditation), the possible types of study courses (based on the Bologna model, establishing ECTS and diploma supplement as mandatory), criteria for students and teachers, academic degrees, quality management and funding and includes information about *hochschulähnliche Einrichtungen* (institutions similar to higher education institutions) as well as about the *Hochschulverbund Liechtenstein*, which represents all higher education institutions in the country.

General higher education policies are developed by the government. Academics, students and institutional leaders as well as companies and industries are involved in the policy processes through ad hoc committees. Government or parliament always take the final decisions. However, there is a significant autonomy granted to the individual higher education institutions. The highest authority of its main higher education institutions, *Hochschule Liechtenstein*, is the *Hochschulrat*, whose members are elected by the government and have a four years term. This *rat* is composed of a representative of the government and six members from science, private and public bodies. The rector of the *Hochschule* as well as a representative of the *Schulamt* participate in the meetings, but do not have a right to vote.

## Part 2: Changes in external governance from 1995 to 2008

With the new law on higher education in 2004 some changes in Liechtenstein's higher education system occurred. This law was a response to the Bologna reform. Compared to the 1992 law on higher education, the new law is much more detailed (in quantitative terms: it has 56 paragraphs, while the former law had 15). It includes the introduction of an accreditation system, both for higher education institutions and programmes, and the implementation of the requirements of the Bologna process (BA-MA structure, ECTS, diploma supplement, etc.). Moreover, the main higher education institution in the country, the *Hochschule Liechtenstein*, changed its status from university of applied sciences to university. Elements such as regular evaluation, quality assessment, appeal mechanisms or participation of students in decision-making processes were introduced and/or formalised. Since 2008, the Hochschule Liechtenstein has the right to award doctoral degrees.

To some extent, the 2004 law codified existing developments. It followed developments that have already taken place before, in consultation with the political authorities. Because of the small size of the higher education system, it was possible to adapt quite rapidly to the requirements of the Bologna process. Liechtenstein was among the first countries to implement the BA-MA structure. Actors in the system often mention the Bologna process as an important driver of reforms in Liechtenstein's higher education system.

# External Governance Fiche: Lithuania

## **Part 1: External governance arrangements for public universities in 2008**

In 2008, In relation to the midpoint scale Lithuania has a medium level of institutional autonomy. It has a low level of autonomy with respect to internal governance structures, staffing issues, entering partnerships and funding and finances.

Public universities are free to determine their own internal governance structures within broad guidelines set by the Ministry. They are also free to decide how many and which type of senior academic posts they want to have. Universities are free to appoint individuals of their choice to these positions, and are allowed to determine the salaries of the academic staff but within limits set by the Ministry.

In Lithuania the universities have to accept all the students who qualify subject to the study places available and the maximum study places available is determined by the government.

Public universities are not allowed to set up or be engaged in partnerships with other organizations although they are free to enter into partnership with other higher education institutions without ministry approval. Higher Education institutions may also provide joint teaching and research programmes. Until recently such partnerships were not actively encouraged. There are plans to start encouraging such partnerships with the support of the European structural funds.

The universities are required to have internal quality evaluation systems for teaching but are free to determine the methods to use and are also required to have external quality assurance through a process prescribed by the Lithuanian Centre for Quality Assessment. The centre appoints groups of experts who periodically assess the existing study programs and accredit all the newly introduced study programs. It is completely up to the university on whether to have internal quality evaluation for research but basic research is subject to external quality evaluation which informs national funding decisions since late 1990s.

Research programmes and major research themes are determined within the universities although national research priorities have some impact in the decision making process. They are also free to start new bachelors programmes subject to accreditation by the relevant government agency, they are also free to determine the content and teaching method while considering the national curricula set for a majority of the subjects and after accreditation by the Lithuanian Centre for Quality Assessment.

The internal allocation of public funds by the universities is subject to ministry regulation but privately generated funds can be allocated as the university wishes.

The universities are not allowed to borrow and building up of reserves is forbidden. Allocation of public funds is regulated by the government, e.g. there are certain amounts of funds allocated for salaries, student grants, capital investments. Privately generated funds can be allocated as the university wishes. Although the universities are free to determine how they spend their public operation grant, they have to comply with the grant activity headings.

## **Part 2: Changes in external governance from 1995 to 2008**

Changes in levels of autonomy occurred in the fields of accountability, quality assurance of teaching and research and teaching and research programmes. There is a reduction of institutional autonomy with respect to accountability and quality assurance measures and a substantial increase concerning teaching and research programmes.

It was completely up to the universities in 1995 to have a strategic plan; however by 2008 the strategic plan had to be approved though it is a matter of formality. Since 1990 the universities are obliged to produce a strategic plan which must be approved by the university and are also obliged to publish their activity in an annual report and submit it to the ministry

Although it was completely up to the universities on whether to have internal evaluation systems for teaching in 1995, in 2008 it was a requirement though the universities had the freedom to decide on the methods to be used. In 1995 the universities were free to decide on whether to take part in external quality evaluation systems but by 2008 it was a requirement for all basic research to undergo quality evaluation which also informed national funding decisions.

Finally, in 1995 public universities were free to determine the contents and teaching methods of the bachelor's programme they offer, subject to government approval. By 2008 most of the subjects had national curricula, leaving limited freedom to the universities.

# External Governance Fiche: Luxembourg

## **Part 1: External governance arrangements for public universities in 2008**

Luxembourg deliberately refrained from the idea of having its own university over decades. However, in the late 90ies policy thinking changed and the University of Luxembourg (UoL) has been established in 2003. Accordingly, many of the principles of governance and funding could have created without any historical burden. At the same time, due to absence of own experience, learning, making use of opportunities, and a portion of luck was required to build up the new university. As can be seen from the below statements, the portion of luck was quite big.

### General Governance

The governance structure of the University of Luxembourg is determined by the law. The University is led by an appointed Rector who is responsible to an external Board of Governors. Compared to other countries and universities, this is not very common in Continental Europe, however well established elsewhere.

Within this framework, the UoL enjoys a high degree of autonomy with respect to its internal structure, research priorities (although de facto impacted from national priorities), curricula, allocation of budget, personnel, and partnerships. In more detail:

**Quality assurance:** QA is required, but UoL is autonomous regarding the chosen methods.

**Programming & selection:** UoL can start new study programmes on their own initiative, content and teaching methods are determined by the university. They have to accept all students unconditionally. De facto UoL is aiming for increasing the number of students. As it aims at a research-based university, master and PhD programmes dominate.

**Staffing & salaries:** In the four-year contract the number of staff is pre-determined (de facto negotiated). Within these limits the UoL is free to determine to appoint individuals. Salary levels are free within corridors, which themselves are negotiated with the ministry.

**Resources & infrastructure:** UoL can create income from contract research and teaching / training, patenting / licensing, donations, gifts and endowments. Internal allocation is completely up to the UoL. UoL does not own their buildings, borrowing money from the capital market is not allowed. Building up reserves is allowed, as the existence of a four-year plan creates high flexibility in funding.

**Fee setting:** No tuition fee, except for the Master in Banking and Finance.

According to the international evaluation committee, which has delivered its report in January 2009 (<http://www.uni.lu/university/documents>), the governance model is perceived as both very effective as a general model as well as in its factual implementation, as a great deal has been achieved in a rather short period of five years. However, there are some shortcomings and thus room for improvement. The recommendations of the committee are thus mainly oriented at motivating the key actors to fully exploit the potential within the existing governance structures and frameworks rather than to change them. These are the main issues:

The University Board (chaired by the Rector) should be of prime importance as a central forum for debate, operational policy making, monitoring and review.

The University Board should be placed in a position where it can exercise strong and independent strategic leadership of the University. This leadership should be exerted more robustly vis-a-vis engaged academic community as well as to the University Council. The Rector in turn needs to have in place effective mechanisms for upward and downward communication with the rest of the University community. There are particularly ambiguous and somewhat ineffective arrangements in relation to policy-formulation, decision-making and policy-implementation.

In the future, progress is required in both areas in order to enable effective strategic management and policy making underpinned by effective and secure operational planning and monitoring, not the least the communication to the wider University community.

These recommendations clearly demonstrate a smooth development over the first 5 years of existence of the UoL. The main message of the international evaluation panel is that the UoL is well positioned with respect to its governance model and its implementation. Thus the pioneering phase is considered as over, instead moving into a more systematic and more explicit mode which higher efficiency and role attribution.

## **Part 2: Changes in external governance from 1995 to 2008**

As the University of Luxembourg is the only university in Luxembourg which itself has been established in 2003, the issue of changes is obsolete.

## External Governance Fiche: Malta

### **Part 1: External governance arrangements for public universities in 2008<sup>3</sup>**

Malta's situation is relatively unusual in Europe, in that although the single university is under direct government control in terms of internal governance and regulations, it does possess a reasonable degree of operational autonomy, exemplified in matters such as freedom to devise its own quality assurance arrangements, to determine its research programme, to start new degree programmes, and to enter into external partnerships. This situation has not changed substantially in the period under consideration. This position no doubt reflects the situation of a single-institution system, with the resulting lack of a central planning agency.

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<sup>3</sup> As the HE system has only recently been established, we only describe the current system

## External Governance Fiche: Netherlands

### **Part 1: External governance arrangements for public universities in 2008**

In 2008, the universities have some leeway to determine their own internal governance structure within the broad guidelines set by the ministry. Dutch universities have substantial autonomy on staffing matters. They can decide themselves how many and which type of senior academic posts they wish to have and they are free to appoint individuals of their choice to these positions. Universities collectively negotiate general salary levels with the trade unions. Dutch universities do not have the possibility to select their Bachelors students; they have to accept all students with the proper qualifications. Only for programmes with a capacity limit (e.g. medicine) there is a national agency that allocates the students across the institutions, with a national lottery system in cases where there is excess demand. For masters programmes the situation is different; here the university can set selection criteria. Dutch universities face various formal accountability requirements. They have to publish an annual report and an audited financial statement to be submitted to the government. Also a strategic plan is required biannually. And the Dutch universities are obliged to publish the outcomes of evaluation of teaching and research. Both internal and external teaching evaluations are required. Universities are required to have their programmes accredited (if they want to receive public funds for their programs). Every six years, re-accreditation, by the national accreditation agency, is needed. Also for research, internal and external evaluations are mandatory. Peer-driven external assessments take place every six years, with a mandatory mid-term internal evaluation (for internal purposes only). The universities are free to establish new teaching programmes but the accreditation agency checks the quality and level of the programme. The government also checks whether new programmes do not duplicate already existing programmes ('macro efficiency test'). Without passing these tests there will be no public funding. Dutch universities have substantial financial discretion: they can freely decide on the internal allocation of public and private funds, they are free to borrow money on the capital market, they can build up reserves and carry over unspent money from one year to the next, and they can use their public operational grant flexibly. They cannot set the levels of the fees for students from EU member states, but can do only for students from non-EU states, for students that do not (or no longer) qualify for student support.



## Part 2: Changes in external governance from 1995 to 2008

Before 1997, public universities had restricted leeway to determine their own internal governance structure. In 1997 the national law on higher education was adapted and the ministerial regulations with respect to the internal governance structure were significantly changed. Although the universities still have to apply the ministerial guidelines, they now have more discretion to make their own choices. The main changes in the internal governance of universities implied:

The executive leadership positions were strengthened and powers became more concentrated; selection mechanisms for executive positions were changed (top down appointments); the representative bodies where staff and students hold seats basically became advisory bodies instead of decision-making bodies.

A new body at the top-level of the institution was introduced: the supervisory board, consisting of five external lay members, appointed by the minister.

The '*vakgroepen*' (academic departments) lost many of their formal decision-making powers.

In 1998, some authorities on staffing matters were devolved. By then the universities themselves became responsible for negotiating with the unions about the salaries and labour conditions of their employees; in earlier days the ministry negotiated with the sector.

The evaluation processes for teaching and research have changed. Since 2003 teaching programmes must be accredited by a national agency. The research assessments also changed in 2003. Universities are obliged to have their research assessed but can do this independently from each other. The universities agreed among themselves to use a standard evaluation protocol, which ensures uniformity in assessment criteria but leaves some room for tailor-made adaptations.

In 2002-03, the programme structure changed as the result of the introduction of the Bologna (Ba-Ma) structure. Moreover, a national agency for accreditation was introduced in 2002, and a few years later the Flemish and Dutch joined forces and established the Dutch Flemish Accreditation Organisation.

# External Governance Fiche: Norway

## Part 1: External governance arrangements for public universities in 2008

In 2008, Norwegian higher education institutions enjoy considerably institutional autonomy compared to the EU average. On most indicators higher education institutions have more autonomy than the country average score. Norway is closest to the average when it comes to BA student selection and accountability. Although selection criteria for BA students in general are set by the institutions themselves, there are national regulations that may overrule these (for example, in teacher training national minimum requirements exists). With respect to accountability there is a number of mandatory reporting and compliance schemes universities need to adapt to.

The institutional autonomy with respect to the design of the internal governance structures is above average. In Norway, it is the board of the universities and colleges that decide on the internal governance structure. However, the Act determines the composition of the board, and also regulates the status and composition of the institutional leadership. In principle, only two models are allowed: either the rector is elected which implies that the rector also takes on the responsibility as chairman of the board, or the rector is appointed implying that the chairman of the board must be selected among the external representatives on the board.

At present all academics are employed by the institution of which they work. There is a national pay-scale for academics stipulating the level of wages according to the level of academic competence, but the individual institution has some autonomy in how individuals could be fitted into this scheme.

Public-private partnerships may be established without any approval from the Ministry or national authorities. However, in the current act there are regulations that must be complied with when establishing such partnerships. Private companies may also sponsor professorships in higher education institutions.

Higher education institutions are required to have internal systems for quality assurance of teaching and learning (to be evaluated and approved by the national quality assurance agency – NOKUT). The design of these systems is up to the individual institution to decide as long as the system includes procedures for student evaluation of teaching, and links to the decision-making system of the institutions. There are no formal requirements concerning evaluation of research. In general, evaluation of research is a responsibility for the Research Council of Norway (RCN).

Research programmes and research themes are determined by the individual institution, and both universities and colleges are free to establish programmes at bachelor level (universities are also free to establish master degree and PhD

programmes, while colleges must apply for accreditation for programmes at this level). Content and teaching methods are also mainly an institutional responsibility although some national regulations exist in areas such as teaching training and nursing.

With respect to funding, higher education institutions are free to decide on the internal allocation of public and private funds, and to transfer resources from one year to the next, although they do not have the freedom to borrow freely from the capital market.

## **Part 2: Changes in external governance from 1995 to 2008**

The Norwegian higher education system have changed significantly since 1995 as a result of the so-called “Quality Reform” (St. meld. nr. 27 (2000-2001)). This reform, implemented since a 2001 white paper and amendments in legislation in 2002, and with mandatory changes within higher education institutions required from 2003, was a result of: the need for quality improvement in higher education and research (student drop-out, delays before graduation, emphasis on student learning, and better follow-up of students), but also the Bologna Process and Norway’s obligations in that respect.

The Quality Reform encompassed the following elements:

Change in governance structures at the institutional level allowing institutions full autonomy concerning organisation and management issues (below the board/rector level).

Increased institutional autonomy, for example concerning the introduction and repeal of courses and study programmes, and what study programmes institutions want to offer

The introduction of a compulsory national quality assurance system and the establishment of an independent quality assurance agency (the Norwegian Agency for Quality Assurance in Education - NOKUT). Accreditation of institutional status is introduced along with systematic evaluations of institutional quality assurance systems

A new degree structure according to the Bologna Process, introducing a bachelor’s, master’s and PhD degree system according to the 3+2+3 model, and the launching of a new grading system based on the ECTS

New forms of student guidance, evaluation and assessment intended to improve the follow-up of students, reduce drop-out and interruption of studies, and to stimulate students to complete their studies at a younger age

An important part of the new governance structure can be said to be the development of several new autonomous and semi-autonomous agencies responsible for specific

tasks. NOKUT is a typical example here, but one could also mention the establishment of the Norwegian Centre for International Cooperation in Higher Education (SIU).

Following the Quality Reform, a new funding scheme for higher education was also introduced from 2004 onwards. The development of this scheme can be said to represent a continuation of earlier changes in the funding of higher education emphasising more the output and the performance of the system. The most important change in the system was that a greater part of the budget became dependent on previous results, and that several new 'performance indicators' were introduced. Hence, the key elements of the new system were:

A new funding formula for the institutions emphasizing accomplishment of results and institutional output to a larger degree than former funding systems. The funding system contains three elements: a component for basic funding (60 percent of the resources allocated); a component for research (15 percent of the resources allocated); and a component for education (25 percent of the resources allocated). Part of the education and research component is result-based (e.g. research publications).

A new scheme for financial support to students, linked to the former point in that it is designed to stimulate timely completion of studies. The system initially provides students with a loan covering all study costs, but completion of studies will transform 40 percent of the loan to a grant providing a direct incentive to the individual student.

More emphasis on internationalisation as a means to improve the quality of Norwegian higher education was also a visible part of the funding system as mobile students received a price tag intended to stimulate institutions of both receiving and sending students out.

# External Governance Fiche: Poland

## **Part 1: External governance arrangements for public universities in 2008**

In 2008, public universities in Poland had full institutional autonomy in BA student selection and a high level of autonomy with respect to Accountability, teaching and research programmes and funding and finances related to the midpoint scale and in comparison to other European countries. They have to some autonomy regarding staffing issues and not much autonomy concerning internal governance structures.

The Polish public universities have restricted leeway to determine their own internal governance structure within ministry regulations.

The universities are free to decide how many and which type of senior academic posts they want to have and they are free to appoint individuals of their choice to these positions. They are also free to determine the level of salaries but within the guidelines of the Ministry.

Selection criteria of bachelor students are determined by the universities provided the students pass the maturity examinations and would consider the best high school graduates, if the number of applicants is higher than the study places available. The universities are also free to determine the study places available but have to take into account the limited state subsidies. Up to 2004 there were entrance examinations for most of full-time studies in public universities. Since 2005 the new external maturity examinations were introduced which the higher education institutions fully recognize.

The universities are obliged to submit annually an audited financial statement to the ministry and provide data and information used to update national databases (e.g. data on programmes, staff, students, degrees awarded etc).

Universities are allowed to enter into partnerships with other organizations but within specific regulations. The ministry or any other central body does not provide financial sources for this kind of partnerships though the universities can apply for competitive grants for research. The universities can also get into partnerships with other universities or higher education institutions but with Ministry approval. For example in 2000, three HEIs started a partnership whose main aim was to introduce the bachelor degree programme in Enterprise Management: the Opole Polytechnics, the Academy of Management and Administration both from Poland and Université Paris XIII. The first stage lasted two years and was completed by graduation of more than 20 students from Poland with a Bachelor diploma from Université Paris XIII. The Academy Business in Nowy Sacz also entered in partnership with National Louis University in Chicago in 2000. Students from Poland when graduating are receiving two diplomas, one Polish and the second one from NLU in Chicago.

In Polish public universities research programmes and major research themes are determined within the universities. The universities are also free to start Bachelors programmes subject to accreditation by the relevant agency. Up to the year 2005 (under the Higher Education Act from 1990) Higher education institutions which employed more than 60 professors in more than half of their departments had the right to confer the title of habilitated doctor and had rights to start new bachelor and master degree programmes without the approval of the ministry. Under the new Higher Education Act, the situation is similar, HEIs which confer the title of doctor in at least four disciplines have the freedom in starting new programmes. Apart from the other parts of the criteria include study curricula which fits to the Ministry developed curricula (HEIs have about 30 percent freedom in developing the content of the curricula) appropriate infrastructure and financial means. If the HEI does not meet these criteria the ministry can close the study programme.

The universities are not free to decide on the internal allocation of public funds since they are subject to ministry regulation but privately generated funds can be allocated as the university wishes. They are free to borrow funds subject to government regulations and to build up reserves from one year to the next. The universities are also free to determine their public operation grant though within the activity heading.

## **Part 2: Changes in external governance from 1995 to 2008**

There were changes with respect to quality assurance of teaching and research. Universities now have less autonomy than in 1995:

In 1995, it was completely up to the public universities to have internal quality evaluation but in 2008 it was a requirement but the universities can decide on the methods to use although the methods have to be evaluated by the Ministry. In 1995 public universities were not required to have internal quality evaluation systems for teaching, however since the formation of State Accreditation Commission (2001), all higher education institutions are obliged to introduce the internal quality evaluation systems for teaching. Usually it takes form of student questionnaire, where the students evaluate the academics. However there is no further implication for such evaluation. By 2008 it remained a requirement but the universities can decide on what methods to use. The universities are however not required to have external quality evaluation for teaching in 2008 just as in 1995. There is also no requirement for internal quality evaluation system for research for both periods. Though the universities were not required to have external quality evaluation in 1995, by 2008 it was a requirement for those higher education institutions who receive financial grant for research in excess of 450 000 euros.

# External Governance Fiche: Portugal

## **Part 1: External governance arrangements for public universities in 2008**

In 2008, Portuguese public universities have restricted leeway to determine its own governance structures. The regulations of the ministry must be taken into account. Also the autonomy in terms of staffing matters is rather limited. Universities require permission from the ministry to establish and/or fill senior posts, while they are free to appoint individuals of their choice to these positions. The number of places for associate and full professors are defined for each university and published in a decree law. The overall number of staff depends on the financial situation and it mostly determined by the funding formula criteria. The academic salaries are set in a National Pay scale that applies to public universities. The universities have some discretion in the selection of Bachelors students. The admission requirements are set by the universities, but must be approved by the ministry. Based on secondary school performances, students compete nationally. Nowadays most students manage to enter their first choice option (which was different 10-15 years ago). Procedures for masters students are different: the applications and selection are institutionally based. The accountability requirements for Portuguese universities are relatively modest. They have to submit an audited financial statement and have to provide data and information to update national databases. The requirements for having evaluations schemes for teaching and research are modest (although the recently established national Accreditation Agency may change this). External research evaluations are not mandatory but universities may decide to ministerial led evaluations because this is a condition to qualify for research funding from the Ministry of Science and Higher Education. In terms of Bachelor and Masters programmes, universities need to submit their proposals to the Directorate General of the Ministry of Higher Education, which mainly checks for legal requirements. Universities are free to determine the contents and teaching methods of the programmes offered but this may change with the introduction of the new Accreditation Agency. The financial discretion of the universities is somewhat mixed: the internal allocation of public funds is subject to ministerial regulations just as the possibility to borrow funds on the capital market and opportunity to build up reserves. Universities can however use the public operational grant flexibly.

## **Part 2: Changes in external governance from 1995 to 2008**

Following the OECD report of December 2006 and its recommendations, a reform of the legal-juridical system of higher education was prepared and subsequently approved by Parliament in the autumn of 2007. In recent years, traditional modes of collective decision-making, and the participation of students in governance, had been under attack for being inefficient, corporative and contrary to the needs of society and the economy. This is believed to be the most significant reform in governance after the Autonomy Law of 1988. It has a universal character as it is applicable to the whole system of higher education: universities and polytechnics, public and private institutions. The main features introduced by the new legal framework were:

Diversity of governance systems and increased autonomy;

Setting up Governing Boards with mandatory external participation;

Possibility of independent legal status for public institutions, namely as public foundations governed by private law (with a respective Board of Trustees);

Establishment of consortia among institutions;

Recognition of research centres as part of University management framework.

In general, the new regulations are characterized by replacing collective decision making by centralization of power in individual decision-makers. Another major change has been the reduction of the size of the main decision bodies (both at the central and lower levels). The new rules also reduced the size of the student participation and increased the participation of the outside community in institutional governance (making it compulsory in the central government body of each HEI).

The University Assembly, the largest collegial body of university governance, was substituted by the General Council, with a much reduced membership (between 15 and 35 members) and with its President and 30% of members selected from external personalities (previously this was possible, though optional). Though academic participation in this body is predominant, external participation is valued through inclusion of external members in the decision-making process. The Rector is elected by the members of the General Council and can be either internal or external to the Institution, and it can also be either a national or a foreigner. The role of the Rector or the President (in the case of polytechnics) is considerably reinforced by this new regime. Its powers are only limited by the General Council (and by the Board of Trustees in the case of those institutions that became public foundations). The Academic Senate may exist in universities and does not exist in polytechnics, and always with a consulting nature.



The governance structure at lower levels was also modified. Faculty's or Department's Assemblies were replaced by a smaller body, though it may not exist. In that case, the Dean is appointed by the Head of the University/Polytechnic. At this lower level there was also a tendency of concentration of power within the executive power (Deans), with reduced power for the remaining bodies (pedagogic and scientific councils). There were also some changes within Faculties, Schools and Departments, namely with the reduction of collegiality, the possibility of including external stakeholders in the main ruling body and the possibility to elect a Dean external to the Unit.

During the past two years, HEIs have been adjusting their structures according to the new legal regime. The first step was to change the statutes of HEIs, for which purpose a statutory commission was elected. By October 2008 HEIs had to submit new statutes accounting for the changes to the Ministry of Science, Technology and Higher Education. This was followed by the elections to the General Council and to the Rector in most cases. At present the process is continuing with the elections of Directors of the Departments, Faculties and Schools.

Another main feature of this Law is that the new framework allows institutions to become public foundations governed by private law. A university foundation has potentially the following advantages: to borrow and to raise funds; to have full control of budgets to achieve objectives; to set administrative and management procedures; and to have more autonomy regarding human resources' management, including different pay-scales and reward systems. These institutions are supposed to be funded according to 5-year strategic plans presented to and agreed with the Ministry of Higher Education. Public Foundations are governed by a board trustees selected from external candidates (proposed by the Institution's governing body and approved by the Ministry). The names of trustees are proposed by the institution and have to be further approved by the ministry. Three public HEIs, University of Porto, University of Aveiro and ISCTE, have decided to adopt this new regime, being presently in the process of transforming their current structure to this new regime. It will be interesting to see how this process evolves, not the least because other institutions may apply in the future for this legal regime.

# External Governance Fiche: Romania

## Part 1: External governance arrangements for public universities in 2008

The score 1.00 indicates full institutional autonomy and higher scores indicate a reduced amount of institutional autonomy.

Midpoint of scale (different for some of the dimensions): used as a demarcation line; a score above the midpoint indicates low institutional autonomy and a score below the midpoint indicates a high score on institutional autonomy

EU-countries: taking the midpoint of the scales as the demarcation line, we see in Europe 2008 on average:

- 1) High institutional autonomy for funding, T&R programming, entering partnerships, and BA student selection;
- 2) To a lesser extent a substantive amount of institutional autonomy regarding quality assurance for teaching and research and staffing issues, and
- 3) There is not that much institutional autonomy with respect to internal governance structures.

## Part 2: Changes in external governance from 1995 to 2008

We see increases in institutional autonomy with respect to funding, entering partnerships, staffing issues and internal governance (although the latter is still rather low). There are – based on these average numbers – no changes with respect to BA student selection and programming of teaching and research. Accountability measures and quality assurance systems for teaching and research have increased indicating a reduction of institutional autonomy.

In general it is believed that the new funding system has had instrumental impact on the performance of public higher education institutions in the country, as there is greater financial autonomy and more diversity of funding sources. The introduction of greater managerial autonomy, and the Bologna requirements, brought changes at programme, curriculum and discipline levels with effects towards European harmonization. The quality assurance reforms had a positive impact at both system and institutional level. Governance reforms, though minimal in recent years, can be associated with decentralization and larger autonomy at HEI level, but so far without major changes in governing structures and processes. A legislative change regarding the introduction of external stakeholders in decisional and governance bodies is under discussion at present.

# External Governance Fiche: Slovakia

## **Part 1: External governance arrangements for public universities in 2008**

Slovak universities are not free to determine their own internal governance structures as these are prescribed at both institutional and faculty levels in some detail in the Higher Education Act. The roles and powers of the key self-governing bodies: Academic Senate, Rector/Dean, Scientific Board and Disciplinary Commission are set out in this legislation. In terms of staffing universities are free to decide how many and which type of senior academic posts they wish to employ; they are free to appoint individuals of their choice to these positions and to decide on their salaries within maximum limits set by government for different levels of posts. In the case of professors special procedures apply as this is a national academic title rather than a level of post in a university. Universities propose academic staff members for this title, these proposals are assessed by the Accreditation Commission and successful candidates are appointed by the President of the Republic.

In terms of the selection of Bachelors students, criteria and procedures are set by the universities themselves. The number of study places is determined by the University.

The accountability requirements for Slovak universities are relatively modest. They are obliged to produce a strategic plan that serves as a basis for discussion with the Ministry and for the Ministry to evaluate the progress a university is making to achieve its goals. Formal Ministry approval of this plan is not required. They are also obliged to submit an annual report to the Ministry and other external stakeholders, an audited financial statement to the Ministry and to provide data and information for national databases.

Universities are free within the legal framework of the country to enter into partnerships with other higher education institutions and with other public or private organisations without seeking Ministry approval.

In terms of quality assessment of teaching and research there is a stipulation in the HE Act that regular evaluation should take place and that the results should be made public. Slovak universities can decide on which methods to use for the internal quality assessments of teaching and research. In the case of research however all major public funding requires external institutional and project level evaluation. In the case of the external evaluation of education a system of “complex accreditation” of the activities of higher education institutions is undertaken by the Accreditation Commission at six-year intervals.

Universities are free to determine the contents and teaching methods of the educational programmes they offer provided that they meet the requirements of the Accreditation Commission. Research programmes and themes are determined within

the university although national and European priorities have an increasing impact on these decisions as more funding is targeted at these priorities.

Slovak universities have nearly complete financial autonomy in terms of how they spend both public and private funds (subject to contractual conditions) and in being able to generate private funding from many different sources including their own commercial activities. They will be permitted to establish their own private companies from 2009. The sale of university property requires the approval of the university's Board of Trustees composed of external stakeholders.

## **Part 2: Changes in external governance from 1995 to 2008**

Over the last decade, the most important system-level governance reforms in higher education in Slovakia have been the following.

**Act No. 131/2002 on Higher Education:** most State higher education institutions were transformed to into public institutions; the autonomy (particularly financial autonomy) of higher education institutions was increased; faculties ceased to be legal entities; important changes were made to the public funding of higher education; universities own their property since 2003.

The 2002 Act also changed the conditions for the establishment of private higher education institutions: this requires the consent of the Government of the Slovak Republic but no longer a New Act for establishment of each new higher education institution.

The role of the Ministry of Education in coordination of higher education institution was also changed. The Ministry of Education does not directly coordinate the activities of higher education institutions as it did before the year 2002. The Ministry of Education prepares and updates each year a long-term strategy in educational, research, development, artistic and other creative activities for the area of higher education institutions. Higher education institutions create and update their own long-term strategies which are used as a basis for discussions with the Ministry and the evaluation of progress.

A Board of Trustees of a public higher education institution was introduced in 2002 as a body that supports the strengthening of the link between the public higher education institution and the society. It implements and promotes the public interest in activities of a public higher education institution, particularly in connection with the use of its assets and funds granted to the public higher education institution by the State.

Over the period there has been a noticeable increase in the coverage of external quality assurance of research as more national and European funding is awarded on a competitive basis.

# External Governance Fiche: Slovenia

## Part 1: External governance arrangements for public universities in 2008

In 2008, Slovenian public universities have rather high institutional autonomy – both in absolute terms (related to midpoints of scale) and comparison with the EU average - particularly when it comes about entering partnerships, staffing issues, funding and finance. Slovene institutions are also higher as regards autonomy in BA student selection and Quality Assurance. With regard to accountability Slovenian institutions are exactly on the midpoint. In terms of autonomy in T&R programmes Slovene institutions are slightly below the average.

Slovene universities have almost no autonomy when it comes to internal governance structures. The Higher Education Act (HEA) determines obligatory decision-making bodies at two levels of the university: at the rectorate and at the faculty level (faculties are “members” of a university), but universities are allowed to add in their constituent act and statute additional governance bodies.

Universities are free to decide how many and which type of senior academic staff they want to have. The freedom of determining salaries of academic staff is limited by the salary system of the Public Sector Act, by the Collective agreement for non-commercial activities and by the Collective agreement for education activities. Salaries depend on the position and function academic staff is recruited for and their academic record and habitation. In addition, efficiency criteria and working conditions, as well as personal competences and additional activities determine the final amount of salary.

Universities accept all qualified students up to the number of study places available. The HEA defined admission criteria for all three study cycles and rules for preregistration announcement and enrolment in higher education. In case there are more students than places offered by HEI the HEI can decide to limit the entrance quota for accredited study programmes by setting additional admission conditions. These additional criteria have to be allowed by the HEA and the decision for limiting the entrance quota has to be approved by the Government. Annually the senate of an university decides on the number of study places, but the approval of the government is needed.

Universities are not legally obliged to produce a strategic plan, but there are different documents and regulations that have an important impact on the strategic development of the university - they need to realize the national HE goals. Detailed plans and reporting are necessary to be entitled to public funding to support academic activities, quality and progress of academic staff.

Universities enjoy full autonomy to enter partnerships with other HEIs or organizations to collaborate in teaching and research. Important is also that they can

cooperate with other organizations to gather additional funds. The Government does not directly stimulate such partnerships but new study programs or institutions (faculties) get easier accredited if university can provide additional external funds.

Internal QA systems are required both for teaching and research but the university can decide on the methods it wants to use. According to the HEA from 2004 the rector is responsible for QA at the level of university and deans are responsible at faculty level. Universities are required to take part in external quality assessment of teaching as part of the external institutional evaluation, but the policy is still in the implementation process. For this reasons universities are at this moment free to decide if they want to be externally evaluated. For the time being external research evaluations only apply to small parts of fundamental research with QA linked to project funding by the national research agency.

Research programs and major research themes have for a long time been an internal matter of universities but national research priorities have a major impact. Universities are free to start new Bachelors but they are subject to the accreditation of the Council for Higher Education of the Republic of Slovenia. Accreditation also includes the teaching contents and methods and the obligatory components of the study programmes.

Universities are autonomous in internal allocation of public and private funds; they can borrow funds on the capital market, but need to follow government regulations in this respect. They are completely free to build up reserves and carry over unspent financial resources.

## **Part 2: Changes in external governance from 1995 to 2008**

Internal governance structures at Slovenian public universities have not changed since 1995. The only change in this respect was implemented in 1999, when the amendments of the HEA determined that faculties had to set up a new internal body, the academic assembly, which has to be composed by all faculty staff and having at least one fifth of its members consisting of student representatives. The assembly elects the Senate of the faculty and prepares proposals for the election of a faculty dean to its Senate.

Public universities have been autonomous in selecting senior staff. There were no major changes since 1995 except in the salary system. In 1995 the senior staff was paid directly by the government, now salaries are included in the lump-sum system and further follow legislation as discussed before. Habilitation for the title of full-professor is permanent since the late 90's. Before it was given for a limited period of 5 years.

No changes were introduced in terms of BA student selection.

Regarding accountability, universities slightly dropped down the autonomy scale. There is a greater annual reporting requirement to the government. The

implementation of the new funding system in 2004 had a major impact on the number and content of reportings to be made for different activities.

The social climate has become much more favourable for cooperation between universities and other organizations. Cooperation with other organizations (private and public) is stressed in the Master Plan for HE. Increased institutional autonomy, the increase in the number of higher education institutions and the changes in the funding system contributed to this development.

There was no QA system at place in 1995. In 1997 an independent consultant body – the National Commission for Quality Assurance in HE was established and developed Criteria for quality for HE study programs, research and art. Some external evaluations took place at HEIs but they were not obliged to follow the commission's decisions. In 2008 the Senate for Evaluation was established at the Council for Higher Education of the Republic of Slovenia to finally implement the QA system and to become a member of ENQA.

There were no changes in universities' autonomy with regard to programming teaching and research.

Universities can gather more funding from different sources than in the past and they are almost free to use it for whatever purpose they regard necessary. However, a significant part of public funding is usually still given by the ministry for specific targeted purposes.

# External Governance Fiche: Spain

## Part 1: External governance arrangements for public universities in 2008

Spanish universities are formally fully autonomous since 1983. Nevertheless, being universities that are coming from a typical Napoleonic model where universities were totally regulated by the State, in fact the move towards 'full autonomy' has been slow and there are in many cases some contradictions. This explains why some indicators on the freedom of university decision making do not reflect this formal situation of 'full autonomy'.

In fact, the freedom of decision making of Spanish universities, acknowledging the diversity of a federal system with rather autonomous regions, provides a mixed picture. In some respects the Spanish universities enjoy considerable room to manoeuvre while in others they do not. The structure of internal governance bodies has traditionally been established by national acts. National governments believed that the university governance structure should be defined at the national level and internal structures were prescribed by detailed regulations. The last HE Act (2007), however, is less strict in its regulations – for instance it allows two systems for electing the rector: a direct election of students and staff (with weights) or by the senate – but it is nevertheless still rather prescriptive.

Traditionally, Spanish teaching courses at universities were quite regulated. At the end of 2007 a new legal norm gave freedom to universities for establishing programs and syllabus. Universities are 'totally free' for taking decisions on their research activities. Although things may be perceived slightly different in reality the university's freedom in programming teaching en research is also constrained: research programmes are determined by the university but national research priorities have a major impact; universities are free to start new Bachelors programmes but it is subject to ministerial approval (in terms of system capacity planning) and accreditation. Moreover, in some cases the requirements of business and industry or professional organizational organizations must be taken into account.

Staff issues are quite peculiar in Spanish universities. Different levels of professors (which represent more than half of the academic staff) and senior non-academic staff are civil servants belonging to national bodies. This means that salaries, work conditions and so on are mostly regulated by the central government. On the other hand, universities are autonomous in selecting and hiring staff, but under strict regulations for procedures. In fact, in general the level of autonomy for managing staff issues is very low.

Universities can establish their own rules for selecting students but numbers should be agreed with public authorities. At the regional level each university in agreement with the regional authorities fixes the number of study places for each programme.



Students apply for several programmes in a preference order. Depending on their secondary education exam mark and their revealed preferences students enrol a particular programme.

Accountability measures are in general relatively low – indicating freedom for universities - but is very strict for financial matters. There is for instance no obligation to publish a strategic plan that outlines the main strategic objectives of the university or to publish results of academic aspects. Nevertheless, most universities publish memories of activities; all institutions publish detailed information in annual reports, web pages and so on. And universities are obliged to provide data and information to update national databases.

Spanish universities have the freedom to define their own policies in partnerships with enterprises. When partnering with other HEIs are free as well but in these cases ministerial approval is required. Recently, joint programs at the master level offered by two universities become rather 'normal'.

Universities have freedom to have their own quality assurance procedures for research. Only for a small part of basic research there are external quality evaluation systems. For teaching universities must have internal evaluation systems but the university can freely decided on the methods to use (but these methods will be evaluated by the ministry). They also have to take part in external evaluation processes and these processes are prescribed by the ministry. Both regional and national QA agencies are playing an increasing role in the governance of the Spanish universities.

Universities receive public funds as a lump sum and they a free for internal allocation. Funds for infrastructures are special and can only be used for this. Universities are free to borrow funds on the capital market and are free to build up reserves but both are subject to government regulation.

## **Part 2: Changes in external governance from 1995 to 2008**

Formally there were no major changes between 1995 and 2008 in the governance of Spanish universities. In reality, however, things are different because Spanish universities are following global tendencies of increasing the university's internal autonomy, while accountability requirements increase simultaneously (especially due to the increasing role of Quality Assurance which is shaping to a great extent the behaviour of universities).

An important change has been the end of the role of the State in interfering in curricular matters. Universities are now free for offering the programs they wish with the contents they consider more appropriate, although some requirements of stakeholders must be taken into account.

# External Governance Fiche: Sweden

## Part 1: External governance arrangements for public universities in 2008

In 2008, the public higher education institutions in Sweden are formally government agencies under the jurisdiction of the government and parliament. They are therefore subject to general rules and regulations that apply to all governmental agencies, but there is also a special regulatory framework for higher education, laid down in the 1993 Higher Education Act and Higher Education Ordinance. The Swedish higher education system is quite decentralized in the sense that the Swedish higher education institutions are responsible for much of the decision-making, especially concerning day-to-day operations of the institutions. Compared to the EU average, Swedish higher education institutions have less institutional autonomy than other countries when it comes to funding and finance, internal governance, and demands on external accountability. However, Swedish higher education institutions has more than average institutional autonomy when it comes to staffing issues, BA student selection, entering partnerships, quality assurance and T&R programming.

The present system of governance is based on steering by objectives and monitoring of results, where the Government puts down the overall objectives and where the institutions have the responsibility for ensuring that activities are carried out in the best possible manner and to report results back to the responsible governmental agencies. Higher education institutions are responsible for the following issues:

- Organization of the higher education institution into units, divisions, decision-making bodies
- Internal governance structure below the University Board
- Organization, structure and content of studies and programmes
- Programmes to be offered, admission criteria and number of places in each course
- Research focus and methodologies
- Internal resource allocation
- Staffing and salaries
- Annual budgets
- The award of degrees to students
- Premises and equipment

At the institutional level, the governing board is the highest decision making body. The external members of the governing board are appointed by the Government, and represent the majority of the board representatives.

## **Part 2: Changes in external governance from 1995 to 2008**

In Europe, Sweden can be seen as an “early adopter” of governance and funding reforms, that has since swept European countries. Reform elements such as decentralization, management by objectives, quality assurance, accountability and performance based funding were implemented in the early 1990s and represented a complete overhaul of the governance and funding system. Since then, several “minor” reforms of governance and funding have been implemented. These changes represent further extensions of the system implemented in 1993, but no radical overhaul of the system.

That the present governance system was implemented prior to 1995 is also visible in the calculations of changes in decision making freedom. According to the data, there are only modest changes on two of the dimensions. Sweden appear to have more institutional decision making freedom concerning staffing issues in 2008 than in 1995, and less decision making freedom when it comes to quality assurance in 2008 than in 1995. Concerning the latter, the institutions are responsible for the internal quality but are free to decide on the methods it wants to use. The National Agency for Higher Education has since 1995 been responsible for evaluating the quality of programs, subject areas and auditing institutional quality work. In 2007, the national quality assurance system was modified. A revised and “simplified” model of quality assurance was implemented in line with the European Standards and Guidelines for Quality Assurance - adopted as part of the Bologna process. A new modified version of the external quality assurance system is expected in the near future with implications for the funding of institutions.

Concerning staffing issues, the higher education institutions have received more freedom to appoint academic staff. Prior to 1995 only the “old” universities could hire academic staff without permission from the National Agency of Higher Education. In 1999, new rules for employment, recruitment and promotion of academic staff were introduced, with increasing focus on academic merit and research production. The government could no longer determine staffing issues in higher education and the particular “security of employment” for university professors was removed. University Colleges no longer needed permission to hire professors.

# External Governance Fiche: Switzerland

## Part 1: External governance arrangements for public universities in 2008

In 2008, the degree of autonomy of Swiss universities widely differed depending on the considered dimension and institution. In almost all cases, the basic internal governance structure is defined in their founding law and decisions concerning the main organizational units – faculties – have to be agreed by the political authority. All universities are asked to produce strategic plans, which are then consolidated to a national planning by the rector's conference; while detailed planning is by large left to the universities themselves, for Cantonal universities major strategic choices are still subject to strong political control. Federal Institutes of Technology have in this respect a much larger autonomy.

Despite differences between individual institutions, the degree of autonomy concerning staff has to be considered as rather high. Still in a number of Cantons the final appointment of professors is decided by the government, but the facto decisions to create positions and to appoint professors are taken internally by the university (mostly at the level of Departments). Federal Institutes of Technology have a detailed planning of future positions in their strategic plan and a well-developed tenure track system, in most cantonal universities decisions are still rather decentralised at the Departments level. State might still intervene to keep some politically relevant subject (like chairs on national literature), but overall this is a marginal phenomenon. Concerning non-professorial positions, universities are free to hire the staff (in the limits of the available resources) and, in most cases, they employ directly their staff. Framework conditions concerning salaries and contracts are in most cases still defined by administrative law, but universities enjoy of a greater flexibility than public administration (for example concerning wage levels).

Universities are very autonomous both concerning educational offer and research priorities; new curricula are not subject to accreditation and can be decided autonomously at the university level (there are no national study plans, nor mandatory subjects); there is no student selection in Switzerland – except some soft selection based on attitudes in medicine – and universities are obliged to accept all students meeting access requirements. Concerning research, priorities are by large established internally and there is no national planning of priority domains and their assignment to individual institutions.

All universities have a system of internal quality assurance for education and are establishing internal evaluation procedures for research; however, how this system is organized is largely left to the universities themselves and there is no national evaluation.

Finally, concerning resources and budget, for cantonal universities the amount of the core budget is largely controlled by the Canton and subject to political bargaining,

while universities are by large free to acquire other resources (including competitive research funding); all universities now have a global budget and are free to decide on its allocation. Major restrictions come in fact from the strong position of faculties against the central administration. In most cases buildings are still owned by the State (with a few exceptions).

## **Part 2: Changes in external governance from 1995 to 2008**

Changes in Switzerland (comparing 2008 and 1995) have been moderated and went essentially in direction of an administrative deregulation and, to some extent, stronger strategic autonomy:

- Rather strong deregulation has taken place concerning staff appointments; in 1995 in most cases regular positions were civil servants under administrative law, whereas today in most cases academic personnel has a special and more flexible status. Also in some (but not all) universities internal regulations are now decided by the university council.
- Deregulation has taken place also concerning the management of the budget, shifting from line-item budgets (in some cases with staff employed by the Canton directly) to global budgets and allowing universities to constitute reserves and to transfer funding from one year to the other. Performance contracts are being introduced, but in most cases the volume of core funding is determined by political priorities.
- There has been some increase in the degree of strategic autonomy especially for the federal institutes of technology and a few cantonal universities. Generally-speaking university councils and rectors have greater competences than in the past and there is a stronger role of university strategic planning.

The traditionally strong autonomy of Swiss universities concerning academic matters and curricula organization has not been substantially modified: the national quality assurance agency established at the end of the '90 has mostly a formative function, allowing universities to evaluate the functioning of their internal quality evaluation systems (reports are not public). In the area of curricula, the introduction of the BA-MA model brought some more uniformity concerning duration of studies and their organizations (for example the time period of semesters), but leaves complete freedom to individual universities on how to organize contents inside this framework.

# External Governance Fiche: Turkey

## Part 1: External governance arrangements for public universities in 2008

Turkish higher education system provides limited institutional autonomy to the public universities in terms of internal governance structure. The institutional units of public universities, their internal faculty/department structure and the authority of individual positions on the various management levels are all determined by the Higher Education Council (YOK). University rectors are appointed by the President of the Republic with a pre-selection of nominees by the YOK. Deans are recommended by rectors but appointed by the YOK. Legislations limit the number of vice rectors to three, although these are appointed by the rector.

Public universities in Turkey have also limited institutional autonomy in terms of staffing issues compared to EU average. The number of staff -academic and administrative- is determined by the YOK. However, universities are free to appoint individuals of their choice to these positions. Salary levels of university personnel and the criteria for their promotion are uniform for the whole university system.

Universities have the same level of autonomy with the EU average regarding accountability and entering partnerships. Public universities are legally obliged to produce their strategic plans, which should be approved by the Ministry of Finance. In addition universities are obliged to publish their activities in annual activity reports and submit to the YOK. Universities are allowed to start partnerships with other organisations and higher education institutions (HEIs) although these partnerships are subject to specific regulations.

The scores show that Turkey has high level of institutional autonomy in terms of quality control. Internal quality evaluation for research and teaching in Turkey became mandatory in 2005. The methods for quality evaluation are specified in detail by the Commission for Academic Assessment and Quality Improvement in Higher Education (YODEK). Hence the actual institutional autonomy of Turkish public universities in terms quality assurance is lower.

In a similar way, the score of funding and finance should be higher since Turkish public universities have low level of financial autonomy. The annual state budget of each university is designated by the Parliament with specific earmarked budget figures (in the form of a line-item budget). The public grant is allocated under expenditure headings that have to be strictly complied with. The other income sources of the public universities can be grouped into three categories: income from the services provided by the university, student fees and research funds. As in the case of the annual budget allocations, the use of these three income sources are subject to specific laws, rules and regulations, which leave less flexibility to universities. The main difference between other income sources and state budget is that in the case of other sources it is possible to transfer the unused amount to the

next fiscal year, while the unused amount from the state budget should be transferred to the Treasury.

According to the scores, the Turkish public universities operate under higher degree of autonomy in terms of BA student selection. However the current system does not yield too much freedom to the universities in the selection of students. There is a national centralised entrance exam in Turkey which is implemented by the Student Selection and Placement (OSYM) operating under the YOK. Selection and placement to the programmes is subject to the results of this exam. The universities partly decide the size of student enrolment while they are asked to inform the government of their enrolment quota each year before the selection exam. Modifications in this quota can be made by the YOK, if needed.

The Turkish universities have higher level of autonomy in terms of programming teaching and research in comparison with the EU average. The initiation of new bachelor programmes is subject to the approval of the YOK. On the other hand, universities are free to design their curricula, course contents, grading systems and degree requirements. Teaching methods and grading are decided by individual instructors within the provisions adapted by the individual university or department.

## **Part 2: Changes in external governance from 1995 to 2008**

Decrease in performance was observed in institutional autonomy on accountability. According to the Law No. 5018 enacted on 2003, the public universities are required to make annual strategic plans, which include the strategic targets set in accordance with their mission, vision and goals. Their performances are assessed by predetermined indicators in strategic plans.

The enactment of the 'Regulation for Academic Assessment and Quality Improvement at HEIs' in 2005 is a remarkable amendment regarding the quality procedures of the HEIs. The regulation ensures the internal assessment of academic activities and administrative services of higher education institutions is carried out periodically every year starting from 2006. Although external assessment is still not obligatory, the regulation outlines its framework as well.

Turkey increased its performance in institutional autonomy on funding and finance. The Law No. 5018 introduced the performance-base budgeting system, yet it did not induce a remarkable flexibility in the budgeting of universities. Universities are subject to rigid procedural controls which involve four restricted spending periods within the year and the budget formulation is based on a line item principle rather than lump sum budgeting. The self generated revenues of universities have to be disclosed to the Ministry of Finance, which regulates, in accordance with the university plan, what to do with surplus or how deficits are to be handled.

The exist no significant changes regarding the institutional autonomy on internal governance structures, staffing issues, BA student selection, entering partnerships,

and T&R programmes. On the other hand, with respect to entering partnerships, universities improved their relationships with the industry, with other universities and with external stakeholders.

Apart from these developments, Turkey has made progress in the area of student participation in governance with the enactment of the 'Regulation for Student Councils of HEIs and the National Student Council of HEIs' in September 2005. According to this regulation, university students take active part at academic and administrative meetings of HEIs and are represented at national and international level through the national student councils.

Finally, a rapid capacity expansion was experienced in higher education with the creation of 33 private and 41 public universities in period 1996-2008. By 2008, the number of public universities reached 94. The total number of universities was 130 in the same year. It was given special emphasis to establish new universities outside the three big cities of Istanbul, Ankara and Izmir.



## External Governance Fiche: UK

### **Part 1: External governance arrangements for public universities in 2008**

The historical origins of UK higher education created an expectation of high levels of institutional autonomy, which have arguably been eroded in recent years by measures intended to improve efficiency and accountability, such as quality assurance processes and research assessment. All UK universities, whether of ancient origin or recently established, are legally independent of government and operate under the direction of a governing board. The board determines the institution's strategy oversees the activities of its full-time senior managers. Universities appoint their own staff, set their conditions of service, own or rent their premises, select their students, and award their qualifications. There is more government involvement in determining student numbers in medicine, veterinary studies and teacher education.

As a condition of receiving public funds, universities must participate in a quality assurance process operated by the Quality Assurance Agency. Successive unsatisfactory QAA reports could lead to a loss of public funds. All universities have internal processes for monitoring both the quality and standards of their courses: external examiners, drawn from other universities, have a key role in the latter activity.

### **Part 2: Changes in external governance from 1995 to 2008**

Changes affecting institutional autonomy have been limited in this period. There has been a trend for the public funding agencies (in England, HEFCE), in response to changing political priorities, to introduce more relatively small programmes, from which universities are requested to bid for projects, rather than to allocate formulaically via the block grant. The devolution of higher education responsibilities to the national governments in Scotland, Wales and Northern Ireland seems to have meant more political scrutiny of university matters in these countries. The shift in 2006 to variable student tuition fees, set by each institution, might in principle have increased financial autonomy, but the impact has been slight, partly because of limits on the number of first degree students that universities are able to accept (because of the subsequent impact on other parts of the higher education the budget).