

# University autonomy From past to present

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## Introduction

Universities everywhere have always valued and prided themselves of their autonomy. Universities, accompanied by their autonomy, originate from various economic, historical, legal and political systems and developments, which have evolved in different phases. University autonomy is frequently seen as having emerged from the Medieval and Aristotelian University, a place renowned for the creation and transmission of knowledge. The word autonomy originates from two Greek words: *autos* (self) and *nomos* (law). According to the Oxford Dictionary, autonomy is the capacity of an agent to be independent and self-controlled. This agent can be an individual, organisation, community or society. The concept of autonomy is examined in various disciplines (political science, philosophy, education, law, etc.), and its interpretations vary on the basis of the disciplinary context applied. In this chapter, we will use the concept of autonomy in its empirical and theoretical constructs in the field of higher education research.

Autonomy as a phenomenon is complex, multi-dimensional and is both a context- and time-related issue. Different meanings attached to the same word

can be confusing, however, the meanings and interpretations of autonomy vary in time and different higher education policy contexts. Higher education studies have been interested in university autonomy for the last 30 years. This time span is short when one takes into account that universities have existed for hundreds of years. The University of Bologna, the first European university, has been in existence since 1088. Most autonomy studies have empirically considered the legal, political and financial relationships between state authorities and universities in different national contexts. Moreover, there are only a few international comparative studies on university autonomy. For many studies, one common trait regarding the recent university reforms taking place in different countries in Europe is their efforts to ensure (and strength) university autonomy, arguing that one important feature of the traditional model of university governance was its lack of institutional autonomy (e.g. Surcock 2015).

In this chapter, we will show how the current developments of autonomy are increasingly framed by reforms linked to the elements of new public management (NPM). In the NPM ideology, autonomy is seen as an option for universities to serve market-driven governance mechanisms to boost the efficiency and effectiveness of university operations. It is important to note that emerging societal expectations on universities do not evolve separately from their autonomy.

In this chapter, we will analyse university autonomy by discussing the concept from four perspectives. First, we introduce the traditional model of autonomy, linked to the ideals of the modern university. Second, we discuss how the concept of autonomy shifts when taken as a component of market-driven tools to enhance socio-economic development. Third, we consider autonomy as a relationship and how it may emerge in the interaction between universities and their environment. Fourth, we introduce the prevalent status and frames of university autonomy in Finland and in the state of São Paulo, Brazil, for readers to engage in their own reflections of these country examples. These countries were selected because the authors of this chapter know the country contexts and their higher education systems.

## The traditional model of university governance and autonomy

In the context of the traditional model of university governance, governments have held university affairs at arm's length. Usually, the government sustained strict control over all administrative and budgetary decisions. As part of the civil service, universities were supposed to abide by the regulations governing the operation of the bureaucratic machine. Decisions related to the size of the staff, opening (or closing) of academic positions and even the rules structuring academic careers were all under the strict control of government officials. In many countries, even the infrastructure, including buildings, were considered government property, and decisions regarding reforms, maintenance and new expansions were negotiated, case by case, with authorities and high-level bureaucrats (Bleiklie & Kogan 2007).

In spite of all these significant constraints, universities have always proudly sustained the idea of being autonomous institutions. In what sense could we understand this autonomy? What components and particular dynamics characterise traditional university autonomy? First, university autonomy, in its traditional sense, is usually adjectivised by the noun academic. In this sense, autonomy should be taken as a synonym for academic independence. It means that no matter how strict the bureaucratic controls posed by the state over a university, it could still be regarded as independent as long as the decisions regarding the contents of academic life stay in the hands of the academic body itself. From this perspective, the day-to-day life of the university as an organisation could be constrained by the rules posed by the state bureaucracy. Its autonomy "is accomplished by securing the individual freedom of the scholar" (Nybom 2007, 915). In this sense, assuring that academically relevant decisions remain in the hands of the Academic Senate is sufficient to sustain institutional autonomy. The key features of this institutional arrangement are collegiality and disciplinarity. Together, these two aspects of academic life assure that key decisions that are relevant for reproducing the institutional logics of the university preserve academic authority. In this sense, inside the university, actors share norms and objectives, and its internal factors govern university dynamics (Olsen 2007, loc. 453). Autonomy is assured, despite the

fact that the government bureaucracy takes the key decisions regarding the material reproduction of the university as an organisation.

From an organisational perspective, the traditional university, as described above, functions as an arena whose primary role is to coordinate, control and make compatible the norms and values that are formulated and shaped outside the organisation. Under this perspective, autonomy supposes that organisational rules, authority and stakeholders recognise that what an academic does is “legitimately guided by external interests, values, norms and standards rather than by an internally generated organisational policy” (Brunsson & Sahlin-Andersson 2000, 734).

It is this condition of the university as an arena which enables the traditional university to become a place par excellence in the development of science and the consolidation of the Republic of Science (Polanyi 2000). Crane (1972), with her pioneer study about knowledge circulation inside research networks, provided the first research evidence regarding the crucial role played by these networks in organising and qualifying the outputs of academic work. One of her findings, which has never been contested in the literature, states that academic work, when done inside a weak or loose network, loses quality and relevance. Without the support of a strong “invisible college”, knowledge production cannot experience the cumulative pattern of growth. Under these circumstances, knowledge production revolves in a circular pattern, revisiting old questions without successfully adding new insight or evidence.

The traditional university, regardless of its mode of organisation (Humboldtian, Napoleonic, Anglo-Saxon, American, etc.), has always operated as a hybrid institution of governance, an arena (Benz 2007). In this organisational architecture, two different sets of norms overlap: the one produced by the local organisation and the other produced by the wider networks linking peers from the same field across different universities. When these two logics clash, it is the former that is expected to abide by the latter, assuring that the larger interests of the science community prevail. In this sense, therefore, academics have always perceived themselves as both members of a faculty from a specific university and members of a wider community of

peers, and have felt more committed to their discipline than to their university (Altbach 1996).

## From traditional governance to managerial autonomy policies

The end of the 1980s saw common traits in the successive waves of reform experienced by universities in different countries. They all emphasised university actorhood (Krücken, Blümel & Kloke 2009) and reinforced the role of institutional leaders and managers, while at the same time supporting institutional differentiation and profiling. According to Brunsson and Sahlin-Andersson (2000), the organisational reforms came in packages. To be (re-)constructed as an organisation, an entity should acquire (or reinforce) the characteristics that are at the core of the organisation's profile. It should gain a particular identity—which means emphasising its autonomy and establishing boundaries that will allow it to command its resources and set goals. Second, it must build (or reinforce) an internal hierarchy to sustain the implementation of more coherent institutional policies, necessary to fulfil the goals benchmarked by the particular entity. Finally, it should reinforce a particular rationality, required to establish priorities and guide actions. Thus, the reforms signified a new the concept of autonomy. Under the new assumption, autonomy means that the organisation can control resources and boundaries, commanding opportunities relating to entering or exiting the organisation (Brunsson & Sahlin-Andersson 2000, 723).

Autonomy is always relational, since it is produced through the relationship between one agent and other agents (internal or external ones). Nowadays, autonomous universities as organisations are thought to have their future strategies in their own hands, what is called actorhood (see above), which constitutes part of the responsibility of institutional leadership and managers. Recent university autonomy policies have increasingly focused on the managerial type of autonomy, which implies that autonomy is understood as an external incentive given to universities to respond to various external stakeholders. While given to universities, it is targeted at reforming autonomy

at the institutional level. The autonomy of a university does not mean operating and allocating resources without accountability mechanisms. According to De Kruif (2010, 480) “Autonomisation is a process in which managerial responsibility is transferred from bureaucratic hierarchy to managers that can be held accountable for the responsibilities attributed”. Expectations regarding the positive influence of managerial autonomy policies are very strong everywhere.

The following motivations to recent university autonomation policies can be identified as:

- Enhancing capacity to operate in a competitive environment
- Enhancing responsiveness to diverse external demands
- Enhancing flexibility to respond to changing needs
- Enhancing revenue diversification
- Enhancing efficiency in the use of resources
- Improving the performance of universities
- Improving the sustainability of universities

Autonomy is used instrumentally to enable universities to (independently) operate in various environments. Musselin (2007), following Brunsson and Sahlin-Andersson (2000), argues that these policy changes could be summarised as a process of dampening the character of the university as an arena (or agent, if one looks from the point of view of the government) and reconstructing it as an organisation. This process ends up giving each university a unique identity (profile) that will support it to operate in a more competitive—market-like—environment.

Universities also operate in a global context, and their autonomisation is driven by NPM ideals, supranational organisations (EU, OECD), international league tables of universities and the competition for reputation and prestige between universities (Shattock 2014). Supra-national organisations pay considerable attention to maximising the socio-economic potential of universities. Autonomisation is a powerful public policy, which is changing the relationships between public service providers, society and the state. The following statement exemplifies the European Commission’s (2006,

5) standpoint: “Universities will not become innovative and responsive to change unless they are given real autonomy”. This statement shows that higher education policy documents discuss autonomy in a one-dimensional manner and as an externally provided incentive.

As pointed out above, autonomisation is an example of practices which began to strengthen as part of NPM. NPM reforms move the emphasis on governance and management practices from university inputs to outputs and outcomes (Pollit 2006; Verhoest, Roness, Verschuere, Rubecksen & MacCarthaigh 2010). From this follows the development and introduction of modern financial management systems and management practices in universities (Christensen 2011). They engender changes in the academic working environment and a shift towards new management and leadership structures and practices, professional management of teaching and research, profiling, performance and results orientation and accountability requirements, all of which are defined by an increasing orientation towards progress.

In organisational studies, autonomy is mainly considered as a relationship between a university and the state. However, other external actors, and universities themselves, can also be influential in relation to autonomy. The relationship between university and government (state) or other external organisations can be approached using, for example, resource dependence theory, principal agent theory or new institutional theory. These theoretical approaches to analysing the phenomenon of autonomy provide frames for understanding the relationships between two organisations in which autonomy and its various dimensions take their shape.

Kohtamäki (2009, see also Christensen 2011; Enders, Boer & Weyer 2013), using resource dependence theory, found that dimensions of organisational-level autonomy take their shape as legal, formal and real autonomy. Legal autonomy refers to regulative environments and whether universities under these stipulations exist and have autonomy to act as legally independent entities in relation to other legally independent entities. The 2010 Finnish university reform re-defined the frameworks of the new legal autonomy of universities by granting them independent legal status. It is worth noting that legal contexts

are country-specific and that legal systems vary. Formal autonomy is based on other formal boundaries, such as performance budgeting, performance funding and performance agreements (Herbst 2007), and can be shaped through other formal steering mechanisms by other agents. Real autonomy is experienced by university agents in the course of using certain aspects within autonomy in accomplishing university practices (Kohtamäki 2009; Enders et al. 2013). Actual autonomy is also a result of actions taken by a university to expand autonomy through fundraising activities, increasing incomes from research, consultancy or other professional or income-related activities. Legal, formal and real autonomy reflect current developments in university autonomy, all of which can be seen as manifestations of university autonomy under the frames of managerial autonomy policies, including ex-ante and/or ex-post restrictions and re-interpretations of such autonomy inside individual universities.

The composition of the university-wide income and expenditure structures is reflective of the institutional financial environment. It is also an operating environment for university academics to accomplish their teaching, research and third mission activities. Inside the university, the unit level income or expenditure structures do not necessarily reflect the university level financial structures. For academics, the resource, regulative and operational environment in which they work is their own academic unit, but it has linkages with the university level environment.

While universities typically have three funding streams: 1) basic funding (state), 2) tuition fees and 3) project funding, the composition of their funding environments, autonomy and accountability relationships and manifestations of autonomy are much more complex than described above. Depending on the shares of the three funding sources and the volume of academic activities under each stream, university autonomy has various forms, and there is no single notion of university autonomy. Moreover, the various operating environments in which teaching and research occur are not identical. A stronger regional and community role for higher education obviously provides new linkages and elements to the logics of university environments.



## University autonomy in Finland and São Paulo, Brazil

This section provides two empirical examples of the frames of university autonomy from two countries: Finland and the state of São Paulo, Brazil. The Finnish Universities Act of 2009 outlines new frameworks for university autonomy. Before this, the financial autonomy of universities was extended at the beginning of 1990s when the then form of governmental funding was changed from line-item funding to block grant funding. It was a significant milestone from the point of view of universities and their strict governmental control. Block grant funding provided a way towards a performance-based steering system. Three-year performance agreements between universities and the Ministry of Education were launched in 1995. They have been applied since then, but nowadays, performance agreements are signed for a four-year period. The latest Finnish university autonomy reform (2010) was recently externally evaluated, and this chapter introduces some findings of the impacts. The pre-reform traditional university governance model was regarded as weak in terms of taking new university level strategic initiatives and making large-scale strategic decisions.

The findings of the university evaluation addressed clear signs of increasing managerialism, the new emphasis given to research management and a division between teaching and research activities. After the reform, university staff (both academic and administrative) had fewer opportunities to take part in decision-making. Decision-making is concentrated in the hands of individual managers (the rector and deans as the most powerful actors), who are dominating because the composition of new governing boards has changed radically. From the perspective of staff members, there are informal ways to influence the new governance structures. University research has increasingly developed on the basis of new research profiles. Financial dependence on state funding has continued, since the main funding body is the state, and a new funding formula provides strong incentives to follow the national funding formula inside the institutions (Ministry of Education and Culture 2016). Finnish universities are undergoing a major cultural change due to university reform, whose wider impacts remain to be seen.

In the 1980s, when Finnish state universities were under strict state control, the state government of São Paulo in Brazil made a major step to grant autonomy to its public universities, relinquishing itself from university control. This kind of withdrawal from policy-making authority/prerogatives is unknown to Finland. In February of 1989, the three São Paulo public universities reached a situation of unrestricted autonomy with regard to their finances and personnel.<sup>1</sup> From that year on, the three universities belonging to the state level government had guaranteed access to eight per cent of a major state revenue,<sup>2</sup> a tax applied to all commercial or service transactions occurring inside the state territory. Since then, these resources have been transferred to university administrations, with no strings attached.

The autonomy granted to the São Paulo state universities resulted from more than a decade of dissatisfaction with the unpredictability of their annual budget. This was due to the terms (subjective and politically-bounded) on which their individual funding was negotiated with the state governor. Such discontent united the academic staff and employee unions from the three universities, as well as student movements, in aggressive strikes. Indeed, the governor's decision to grant autonomy was made against the backdrop of one of these demonstrations. Thus, from the perspective of the unions and university authorities, achieving autonomy represented the fulfilment of a protracted aspiration. From the point of view of the government, the agreement was

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<sup>1</sup> In Brazil, the federative arrangement allows state (provincial) governments to organise their own higher education systems that run parallel with the federal system and the private system. State universities have sole responsibility for the state level government and are not subject to the Ministry of Education's regulations or evaluation (as is the case of federal and private universities). The state of São Paulo, the richest and most dynamic economy in Brazil, created three universities, beginning in 1934 with the University of São Paulo (USP). The second, the University of Campinas (Unicamp), was created in the early 1960s, and the State University of São Paulo (UNESP) was formed in 1976, initially from the merging of 14 colleges scattered around the state territory. These three universities are considered among the best universities in Brazil, with strong commitments to graduate education and research.

<sup>2</sup> This proportion was raised to 9.0% in 1990 and 9.6% in 1994, after further intense strikes within the universities. It has been frozen since then, but state revenues have increased in all these years. Therefore, the universities never lacked support for their expenses.

a price to pay in order to stop the increasing political costs created by the constant attritions between universities and government, usually escalated by the intense media coverage.

In this experience, autonomy was not an instrument of higher education (HE) policy, established inside a framework of negotiations between universities, government and other stakeholders. It can be better described as an abdication of such policies. Since then, whatever state level embryonic HE policy that does emerge is produced by the interaction between the State of São Paulo Council of Universities Rectors (CRUESP, created at the time of the autonomy decree) and the Unions' Forum, which congregates the three academic staff teams and the three employee unions from the three universities (Fórum das Seis).

In São Paulo's experience, the three universities preserved their former mode of governance, and the concept of the arena could still be employed to describe the way these universities organised their internal dynamics. Academic and financial autonomy produced some degree of actorhood for the universities, and it is possible to trace how each of the three universities differentiated and sought to define their profile by reinforcing specific traits. Nevertheless, the lack of a strong external policy framework means that inside each university, the academic logic remains predominant. All three universities preserved the federative arrangement that entitles a high degree of academic (and financial) autonomy for their disciplinary sub-units (faculties and schools), and inside each of these sub-unities, departmental units are influential players. In this kind of environment, interdisciplinary research and learning did not evolve as much as one would expect, and undergraduate and graduate education tends to develop on the backdrop of particular fads emerging from each disciplinary culture.

## Conclusions

Autonomy is a relational concept in the university context, and it is a central hallmark of university organisations. It is worth noting that the idea of the

university is constantly evolving, and its purposes are viewed and understood in various ways. While the first medieval European universities had the right to admit/confer academic merits that entitled the recipient to undertake teaching, nowadays, the focus is increasingly on universities' societal impacts. Initially, the idea of university autonomy was to protect academic freedom from harmful external influence. The current trends aim to establish and expand links between academics and the external environment to a maximum. Bringing external expertise into universities is also favourable, and interaction with society is valued as one of the missions of universities. The visible and measurable external impacts of universities have a strong performance orientation, together with financial incentives. The changes listed above have implied several organisational reforms, institutional and intra-organisational mergers and new professional orientations in management and leadership in order to achieve performance objectives set for academic work. Academics are eager to protect their academic autonomy and collegialism. Tensions between managerial autonomy policy and academic values and standards are evident because organisational and individual goals do not frequently coincide.

University autonomy reform aimed at granting universities greater autonomy is one of the most frequently applied HE policy reforms in Europe, influencing the future of universities. Autonomy takes accounts of the progress of and competition between universities. There is no single definition of university autonomy that could be universally applicable to different HE systems or different types of higher education institutions (HEIs). Increasing volumes of HE students and the costs of HE force governments to pay attention to the role of universities in society. For national HE policy purposes, the idea of autonomy is to serve the purposes of public policy. The recent developments in HE policies, for example, in Europe, are typically reforms aimed at enhancing the autonomy of HEIs. Policies directed towards reinforcing autonomy do not evolve in isolation from other governance and management trends. Autonomisation is an example of changing practices which began to strengthen as part of the NPM orientation. NPM-oriented reforms reflect private sector practices by moving the emphasis in governance

and management from university inputs to outputs. New managerial practices evolve together with strong financial incentive structures. Nevertheless, autonomy can be produced under alternative policy frameworks, as the São Paulo experience exemplifies. In all cases, the larger the scope of the autonomy, the greater the degree of actorhood the institution experiences. Autonomy is always interpreted and reformulated inside universities, and not outside universities.

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