

PALGRAVE STUDIES IN
GLOBAL HIGHER EDUCATION



POLICY ANALYSIS OF
STRUCTURAL REFORMS IN
HIGHER EDUCATION
PROCESSES AND OUTCOMES

EDITED BY

HARRY DE BOER, JON FILE, JEROEN HUISMAN,
MARCO SEEBER, MARTINA VUKASOVIC
AND DON F. WESTERHEIJDEN



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Policy Analysis of Structural Reforms in Higher Education

Processes and Outcomes

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PREFACE

This book is based on a project undertaken by CHEPS and CHEGG for the European Commission (DG EAC) in 2015 and 2016. The project *Structural Higher Education Reform—Design and Evaluation* analysed system-level (or ‘landscape’) structural reforms in higher education, in particular in relation to the policy process through which reforms were designed, implemented and evaluated and the factors affecting success or failure. The overall objective was to provide policymakers at the European, national and institutional levels with policy-relevant conclusions concerning the design, implementation and evaluation of structural reforms.

The project specifications supplied by the Commission inter alia required the project team:

- On the basis of a thorough literature review, to develop a typology of structural reforms in higher education and to identify 12 case studies of structural reforms that cover these different types of reforms. After a careful analysis, the project team and the Commission selected 12 case studies taking into account the need to have adequate coverage of structural reforms across the three categories of our typology (reforms aimed at horizontal differentiation, vertical differentiation or institutional inter-relationships), time frame (reforms between 1990 and 2010) and the importance of selecting a diverse set of higher education systems.
- On the basis of literature review and the case study analysis, to draw general lessons and to formulate policy options that are relevant to policymakers working in the field of system-level/landscape structural reforms in higher education.

The project was completed in May 2016 and an executive summary, a synthesis report and the 12 case studies can be found on the website of DG EAC (www.bookshop.europa.eu).

The idea behind this volume was to move beyond the ‘policymaker perspective’ of the project and to reflect on the wealth of material collected in the project from the perspective of higher education research and public policy analysis. At the heart of the book are 11 chapters on European structural higher education reforms.¹ The first chapter introduces the structural reform typology, the 11 selected higher education reforms and the overall public policy analytical framework developed to analyse these reforms. The final chapter draws conclusions from the study of these reforms both in terms of factors that appear to be relevant for the success or failure of such reforms and for the use of public policy analysis in higher education policy research.

Our sincere thanks go to our colleagues who agreed to write a second version of their project case studies for this book. We would also like to acknowledge the role of DG EAC in initiating the study of structural reforms in higher education and to thank Margaret Waters and Simon Roy of the DG’s Higher Education Unit for the valuable contributions they made to the study. Finally, our thanks go out to the interviewees who freed time to talk about and reflect on the national structural reform processes they have – in different stakeholder roles – been part of.

Enschede, The Netherlands,
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NOTE

1. The project also included a case study of structural reform in the higher education system in Alberta, Canada.

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Structural Reform in European Higher Education: An Introduction

*Harry de Boer, Jon File, Jeroen Huisman, Marco Seeber,
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SYSTEM-LEVEL CHANGE IN EUROPEAN HIGHER EDUCATION

In higher education, we live in an age of reform. All over Europe, state authorities frequently adapt their policies and introduce new ones to encourage public higher education institutions to deliver high-quality services in an effective and efficient way. They take forceful initiatives and introduce

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reforms to change the higher education landscape. Many such reforms are driven by the belief that higher education institutions play a pivotal role in the knowledge economy (e.g. European Commission, 2003; Kogan et al., 2006; Kogan and Hanney, 2000; Marginson, 2010; Maassen and Stensaker, 2011; Shattock, 2005). Studies on the effectiveness of reform, however, show that goal achievement as the result of the reform initiatives is not to be taken for granted. Therefore, with the intention to contribute to the body of knowledge on ‘how reform policies work’, in this book we will analyse a number of reforms that have been induced by governments to restructure their higher education systems.

In higher education studies, understanding reform is one of the major challenges. Apart from understanding and explaining reform itself, the unique nature of higher education and its institutions contributes to this challenge (Fairweather and Blalock, 2015). The uniqueness of higher education relates among other things to its multifaceted purpose, its fragmented structure in domains (education, research, innovation, R&D) and disciplines as well as the typical features of higher education institutions as professional organisations (e.g. Clark, 1983; Becher, 1994; van Vught, 1995; Musselin, 2005). The characteristics of the objects governments want to steer, control and change – the higher education institutions – and the nature of the goods and services they deliver influence the course of reform action and its successfulness (van Vught and de Boer, 2015).

System-level reforms in higher education, often initiated and supported by governments, are often part and parcel of general public sector reforms, which in the European context are related to the changing role of the state (e.g. Neave, 1998, 2012) and changes in views on public sector governance and steering, inspired by either New Public Management (NPM) or post-NPM reform waves (Christensen and Lægveid, 2011; Pollitt and Bouckaert, 2011; Paradeise et al., 2009). When developing higher education policies, governments often take inspiration from experiences abroad, using ideas, ideologies and concepts (‘soft’ transfer) as well as instruments and programmes (‘hard’ transfer) used in other countries for national policy reforms (Benson and Jordan, 2011). While this may lead to convergence of higher education policies with regard to goals and objectives (Dobbins and Knill, 2009; Heinze and Knill, 2008; Kim, 2009; Musselin, 2005), persistent diversity with regard to implementation and outcomes remains (EACEA, 2012; Vaira, 2004; Westerheijden et al., 2010; Witte, 2006). Despite the common global pressures (Frank and Meyer, 2007; Krücken and Drori, 2009), domestic actors of necessity translate these pressures into the domestic context

(Bleiklie and Michelsen, 2013). Reforms are affected by distinct national, path-dependent flavours (Dobbins and Knill, 2009; Gornitzka and Maassen, 2011; Musselin, 2009; Witte, 2006). Even if ‘exactly’ the same policy or instrument were transferred, it might have a different impact due to the different national or local contexts into which it gets inserted (de Boer, 2003).

In summary then, the point of departure in this book, which addresses 11 reform processes in higher education, is that these reforms are both driven and supported by the central governments, of which many face similar external pressures for change and are exposed to similar policy ideas, models and templates. Policymakers, however, need to take into account the uniqueness of the sector and its institutions as well as domestic specificities and existing policies. Evidently, system-level reform processes are complex due to multitudes of actors, interests, overlapping and potentially conflicting policy initiatives, path dependencies and ‘local’ situations. This certainly holds true for one specific type of reform in higher education: structural reforms.

STRUCTURAL REFORMS IN HIGHER EDUCATION

In this book, we define structural reforms as *government-initiated or supported reforms aimed at affecting a significant part of the higher education system and its structure*. In this definition, structure refers to the number of elements in the system (i.e. higher education institutions) and their relative positions and functions. Structural reforms aim to change the higher education landscape. Incremental changes unfolding over longer periods of time and reforms targeting other aspects of higher education (e.g. student access and selection, the academic profession, funding or internal governance of higher education institutions) are not part of this book. Such a structural reform definition is of course ambiguous and debatable. To further clarify its meaning, we distinguish three types of structural reforms:

1. Structural reforms aiming at *horizontal differentiation*, that is, transformations of the functions of different types of higher education institutions. These reforms directed towards establishing horizontal (or functional) differentiation within a given higher education system include reforms focusing on the strengthening or weakening of binary divides (or more generally a division of labour between different types of institutions or different institutions of a particular type) and profiling policies driven by functionalistic considerations (Bleiklie, 2003; Taylor et al., 2008; Teichler, 1988).

2. Structural reforms aiming at *vertical differentiation*, that is, increasing or decreasing performance differences between higher education institutions. Through vertical differentiation reforms, governments aim to bring about quality or prestige differences between higher education institutions. ‘Excellence initiatives’ fit this category (Marginson and van der Wende, 2007; Salmi, 2009; Cremonini et al., 2014).
3. Structural reforms aiming at affecting *interrelationships* between higher education institutions. This third type of landscape reforms relate to the *interrelations* between higher education institutions and revolve around supporting cooperation, forming alliances and establishing mergers. The latter have been popular over the last decades and referred to as ‘merger mania’ (e.g. Pruvot et al., 2015; Pinheiro et al., 2015).

This threefold distinction further specifies structural reforms but does not provide a watertight typology. A structural reform could focus on more than one dimension. For instance, if a merger process intends to affect the power balance between the subsector in which the merger takes place and other subsectors, then this merger process does not only fit the interrelationship type, but the system’s vertical differentiation as well. The Aalto University merger in Finland serves as an example. To complicate matters, there may be differences between policy objectives and policy outcomes. A structural reform may aim to establish horizontal differentiation, but may affect interrelationships as a side effect.

The number of structural reforms in Europe is impressive – we live indeed in an age of reform. Based on our definition of structural reform, since the 1990s in Europe alone over 30 structural reforms have been implemented. Moreover, in some countries more than one structural reform took place since 1990. In the next section, we will briefly present the 11 structural reform processes that are described and analysed in this book.

STRUCTURAL REFORMS IN 11 EUROPEAN COUNTRIES

Horizontal Differentiation Reform Processes

In 1994, the Austrian government established a new sector of universities of applied sciences (Fachhochschulen), in an attempt to regionalise higher education. The chapter by Pausits presents this case of horizontal

differentiation reform as one aimed at the diversification and expansion of vocational education, the development of programmes geared towards the needs of the labour market, the promotion of permeability of the educational system and flexibility of graduate career paths. The key policy instruments were a new ‘Fachhochschulen’ act (FHStG) and funding mechanisms. Important stakeholders were involved in the design of the policy, and there was considerable scope for local and regional initiatives, also involving private partner, in the implementation phase.

As presented in the chapter by Brankovic and Vukasic, the structural reform in Croatia focuses on the establishment of non-university higher education institutions since the mid-1990s, and the government’s attempts to gradually make these institutions the sole providers of professional study programmes, which implies gradually abolishing such programmes in universities. These reforms aimed at ensuring a contribution of higher education to the regionally balanced development of Croatia as a knowledge society by increasing the quality, efficiency and accessibility of higher education. The reform comprised changes in system-level legislation and the introduction of procedures and criteria for accreditation of institutions and programmes, with no changes in the funding mechanisms.

At the turn of the millennium, in the Netherlands the establishment and institutionalisation of a research function as the second core task of the Dutch universities of applied sciences (hogescholen) was introduced to contribute to the strengthening of the innovative capacity of the Netherlands by the optimal use of the sector in delivering highly skilled modern graduates and services needed by regional industry and the public sector. For these purposes, the research base of hogescholen had to be strengthened. Several policy instruments have been introduced to strengthen this research function by means of the introduction of new staff positions, grants for practice-oriented research and grants for the establishment of centres of expertise. In the Dutch case study, De Boer describes and analyses what has happened in the last 15 years since the first steps were taken to strengthen the research function of Universities of Applied Sciences (UAS) in the Netherlands and evaluates to what extent it has obtained a structural and indispensable position in Dutch higher education. Do the UAS really have a stronger research orientation than they used to have?

The structural reform project in Norway, analysed by Elken and Frølich, was part of the broader ‘Quality Reform’, and pertained to the

profiling and changing status of higher education institutions (horizontal differentiation). The main overall goal of the reform was to increase efficiency and quality. At the practical level, this was translated into giving higher education institutions more autonomy and allowing them to profile and position themselves more strategically. One of the options offered to university colleges was to ‘upgrade’ to university status. The key policy instrument for the structural changes, starting in 2000, was regulation, with funding provided for the establishment of the Norwegian Agency for Quality Assurance in Education (NOKUT) and other aspects of the reform.

The reform process in Poland, analysed by Antonowicz, Kwiek and Westerheijden, concerned assuring and strengthening of the quality of (private) higher education. The Polish case explains why and how the market failed to regulate the provision of higher education. A few attempts to change the situation failed, until the government set up an accreditation agency to remediate the ‘mushrooming’ of the private sector after 1989 and low-quality provision in general. The accreditation agency became operational in 2002.

Vertical Differentiation Structural Reform Processes

Aiming to strengthen the strategic capacity of Danish universities – strengthening research priority setting and creating distinctive research profiles – by offering competitive funding, the Danish government launched the 5-year Investment Capital for University Research (UNIK) initiative (2009–2013), as part of the comprehensive Globalisation Strategy of 2007. Universities could submit proposals for long-term, large-scale research, which were assessed by an independent international expert panel. Out of 28 proposals, 4 have been awarded for funding. In the Danish case study, Aagaard and de Boer evaluate the UNIK initiative and argue that paradoxically it can be seen both as a success and a failure.

Concerning the French case, Boudard and Westerheijden point out that after the shock of not seeing French universities prominently in the first global rankings, two strands of policies were deployed since around 2006 aiming to improve the competitiveness of French higher education and research at a global scale, large investments in facilities and in world-class research, and merger operations. In both strands, two ‘generations’ of policy initiatives were taken, the second ones, with increased funding to respond to the 2008 crisis, strengthening and continuing the first ones up to the present. Investments to increase vertical differentiation were

concentrated in a few, already strong universities (or strengthened through mergers). The mergers also started selectively. Higher education institutions competed voluntarily for funding.

The Spanish case study, by Seeber, focuses on the International Campus of Excellence initiative, in the period 2008–2014, which aimed to reduce the fragmentation of the higher education system, to open up universities to society, and to increase their specialisation and excellence. Universities had to develop strategic partnerships and aggregations among them and with other private and public institutions around a common project and campus. During the implementation phase, vertical differentiation (excellence) has blurred towards a more comprehensive approach by also including small and peripheral regions and universities.

Institutional Relationships as Structural Reforms

To maintain Finland's prominent position in global economic competition, mergers to form stronger units, with one 'world-class university', were envisaged, as described by Nokkala and Välimaa. Three groups of universities responded to the Ministry's invitation to merge, including the desired special case in the capital. Regulation was changed to grant additional programme funding (including private funding tax cuts). The three mergers took place (2007–2010) in the shadow of a large University Act reform increasing autonomy of higher education institutions.

The Flemish case study, by Huisman and Mampaey, analyses the introduction of associations – formal collaborations between one university and at least one university college – in Flemish higher education. As such, the reform, starting in 2003, was a case of (changing the) interrelationships between the higher education institutions. The overall aim was to make the higher education system 'Bologna proof', which entailed that the associations were to transform the two-cycle university college programmes into full master programmes equivalent to those of the universities. The key policy instruments were regulation (2003 Decree) and (some) funding.

At the turn of the millennium, the small Welsh institutions were too vulnerable in a UK system characterised by increasing marketisation. The reduction of the overall number of universities in Wales from 13 to 8 through mergers in the period 2002–2014 is part of efforts to increase the overall competitiveness of Welsh higher education in the wider UK higher education system. Since the Higher Education Funding Council for Wales (HEFCW) launched the merger policy in 2002 with direct financial

support of the Welsh Government, a fund was established to meet the one-off costs which institutions would incur in merging, bringing the support systems together and rationalising the real estate. In the chapter on mergers in Wales, Benneworth and Zeeman analyse this structural to see if it was successful. Has the overall competitiveness and attractiveness of Welsh higher education in the context of the wider UK system been improved?

A PUBLIC POLICY ANALYSIS FRAMEWORK FOR STUDYING STRUCTURAL REFORMS

The structural reforms addressed in this book will be studied from a public policy perspective, aiming to understand how the machinery of interacting actors in a public domain works in producing public actions and outcomes (John, 1998). From the many definitions of what a public policy is, we see a public policy as ‘a set of interrelated decisions taken by a political actor or group of actors concerning the selection of goals and the means of achieving them’ (Jenkins, 1978). It concerns a purposive course of action in response to a perceived problem of a constituency, formulated through a specific political process. A public policy is often the result of multiple decisions taken by multiple decision-makers, often scattered throughout complex government organisations (Howlett and Ramesh, 1995, p. 6).

Policy analysts should address the following questions: What is the nature of the problem? Which courses of action have been chosen to solve the problem? What are the outcomes of choosing a particular course of action? and Does achieving the outcomes contribute to solving the problem? (Dunn 2004, p. 3). Thus, policy analysts should look into (1) problem structuring (definition – information about the problem to solve), (2) monitoring (description – information about the observed outcomes of policies), (3) evaluation (appraisal – information about the value of expected and observed outcomes) and (4) recommendation (prescription – information about the preferred policies).

Insights from sociology, organisational studies, management sciences, political science, economics and psychology as well as sector-specific knowledge can be used for analysing public policies (John, 1998). Over the last 50 years, this multidisciplinary perspective has led to the development and promotion of a substantial number of policy models (e.g. Easton, 1965; Howlett and Ramesh, 1995; John, 1998; Kingdon, 1984; Sabatier, 1988,

1991; Teisman, 2000; Wu and Knoke, 2013). John (1998) categorises the plethora of theories and models into five: institutional approaches, group and network approaches, socio-economic approaches, rational choice theory and ideational approaches.

As we do not want to force a single approach onto our 11 case analyses by independent researchers, we employ a neutral, procedural approach to structure the case studies in the following chapters. Therefore, in this book, we will take the policy stage model as our point of departure to structure the analysis of structural reforms. Public policies are complex, comprehensive and dynamic; hence, there is need for ordering and simplification. Although we are well aware that the policy stage model does not fully reflect the complexities of policy processes in reality (e.g. Howlett and Ramesh, 1995; Sabatier and Jenkins-Smith, 1993), it is a helpful heuristic to study policy processes analytically, and to compare the goals, processes and outcomes of the different case studies. This approach implies that policy processes can be divided into a number of interrelated stages: agenda setting and problem definition, policy preparation and design, policy formulation and decision, policy implementation, and policy evaluation and feedback. John (1998, p. 185) underlines this inter-relatedness when he argues, ‘Just as policy proposals are part of the soup, so too are implementation strategies. (...) The activities are completely intertwined. The only difference is that some actors are exclusive to agenda-setting (...) and others are just policy implementors (...)’.

The presumption that each policy stage has its own logic, and that different actors can be involved in different stages (or the same actors but in different roles) paves the way to introduce elements of some of the other policy analysis models into the stage model. Examples are Kingdon’s policy streams model, Baumgartner et al.’s (2014) punctuated equilibrium model and John’s (1998) evolutionary model of public policy – three models which explain how various actors interact with and respond to each other to produce policy action in the different stages.

In fact, we argue that each stage of the policy process can be regarded as an action arena, framed by exogenous factors and institutional arrangements (cf. Ostrom’s actor-centred institutional analysis and development framework; Ostrom, 2005), with its own logics and participants (‘actor constellation’; Scharpf, 1997). The outcomes of the interrelated policy arenas are the result of at least three actor-related aspects: (1) the preferences of an actor (goals, ideas, beliefs and interests), (2) the actor’s capabilities (action potential, resources available) and (3) the interaction of actors, partially set by

institutional rules and context-specific circumstances. The result of the interaction among the actors determines the courses of action taken in each arena (John, 1998; McConnell, 2010).

The underlying analytical framework for this book is presented in the next, simplified figure (Fig. 1; especially the number of feedback arrows has been reduced). The various action arenas will be addressed below.

Agenda Setting and Policy Design

In every modern society, there are hundreds of issues that are potentially a matter of government concern, but a limited number actually appear on the policy agenda. Ideas and issues that do not reach the policy agenda will not cause any policy action. Research on agenda setting tells us that this initial stage is a highly competitive game, and because it frames the next stages of the policy process, it is a very important stage (Bachrach and Baratz, 1962, 1970; Cobb et al., (1976). Quite often, reforms are prompted by signals in society, for example, from salient stakeholders or policy entrepreneurs (Kingdon, 1984), that there is a ‘problem’ with the current system. Thus, the first policy questions addressed are: What is the problem? Who addresses the problem? The description and analysis of this policy arena includes an exploration of the rationale for the structural reform and the extent to which the rationale and problem analysis are supported by different stakeholders.

Once an issue is on the agenda, policymakers need to decide on a course of action. Various alternatives that might solve the issue need to be explored and finally a decision on a set of actions (a policy) has to be determined. Governing means using policy instruments; without them public policies would be no more than abstract ideals or fantasies (Hood and Margetts, 2007). Instruments concern action to shape or change behaviour to pursue the set policy objectives. As regards structural reforms in higher education, in choosing how to achieve its goals, governments have many instruments to select from. Mergers for example can be imposed on the higher education sector by legislation, but the government can also decide to encourage mergers through financial incentives. Or it may try to settle agreements with some parties, or use a dialogue-based approach to convince the higher education sector that mergers are desirable.

Typologies of policy instruments abound (e.g. Hood, 2007; Hood and Margetts, 2007; Howlett, 2004, 2009; van Vught and de Boer, 2015; Voss, 2007). In this book, we take the point of view that characteristics of instruments matter and therefore opt for using a generic approach.

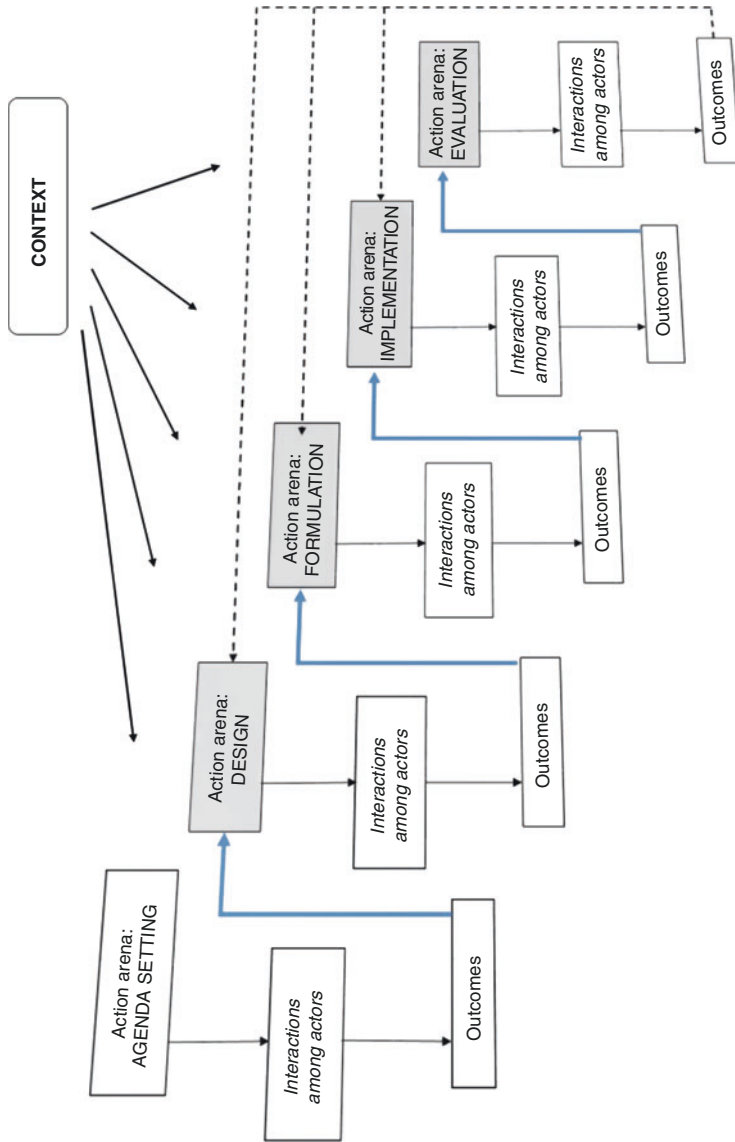


Fig. 1 Analytical framework of structural reforms

A well-known typology within the generic approach is Vedung's distinction between 'carrots', 'sticks' and 'sermons' (Bemelmans-Videc et al., 1998). Elmore (1987) sees government instruments as variants of four intervention strategies – namely, comprising mandates, inducements, capacity-building and system-changing. Schneider and Ingram (1990, 1997) distinguish comprising authority tools, incentive tools, capacity tools, symbolic tools and learning tools.

In this book, we will stay close to (an adapted version of) the probably most well-known typology: Hood's NATO scheme, based on the resources a government has: 'nodality', 'authority', 'treasure' and 'organisation' (see also Hood, 1983; Hood and Margetts, 2007; Howlett, 2000, 2009; van Vught and de Boer, 2015). In general terms, nodality refers to the use of information and communication. It concerns advice and training to get messages across, trying to affect the cognitive base of the recipients and as the result of that changing their behaviours. Authority tools are intended to command and to forbid, to commend and to permit. Certificates, licences, contracts, quotas, permits and code of conducts are examples of authority instruments. Treasure enables governments to buy favours. It can exchange money for a good or service, or it can transfer payments without requiring any quid pro quo. Grants, loans, bounties and tax expenditures are examples of treasury instruments. Finally, organisation tools, sometimes referred as 'architecture', refer to the government's capacity to establish (institutional) structures such as bureaucracies, agencies, networks or partnerships and the like.

The selection of tools is a delicate process, since tools are not neutral. Aspects that deserve attention in this stage are political feasibility (it is as much a political as a technical process), resource availability and the behavioural assumptions about the targeted populations. 'The choice of the policy tool is a function of the assumed behaviour of the policy target' (Birkland, 2001, p. 176).

In the agenda-setting and policy design arena, the power of the views and ideas of the involved actors, their resources and their position in policy subsystems determine the outcomes. Who are these key actors, how do they interact and what is the effect of this interaction on policy design, policy instruments and formulation? (Jordan and Schubert, 1992). With respect to these questions, five dimensions must be taken into account (Forester, 1984): the number of actors in the decision-making (single versus multiple), the organisational setting (closed versus open), the definition of the problem (well-defined versus vague), type of available information (perfect versus contested) and the time available (infinite versus manipulated).

Policy Implementation

How are the selected means (policy instruments) applied to achieve the formulated goals of a structural reform? Over the years, public policy and higher education implementation studies have convincingly demonstrated that a policy is not necessarily implemented ‘according to plan’. During implementation, reform plans can take their own course. Moreover, policies may deliberately not be specific on their implementation; acknowledging implementers may be in the best position to take decisions during the implementation.

In the policy implementation literature, three perspectives prevail: top-down, bottom-up and synthesis perspectives. The top-down approach is based on a set of assumptions such as policies having clearly defined goals and instruments and policymakers having a good knowledge of the capacity and commitment of the implementers (Birkland, 2001). The focus is on creating structures and controls to acquire compliance with the goals set at the top. Early implementation studies in the 1970s revealed that these assumptions frequently are not met (Pressman and Wildavsky, 1973; Lipsky, 1980). They pointed among other things to the impact implementers (street-level bureaucrats) can have on the actual process and outcome of a reform. Because those that implement the reform always have some discretionary power, they are ultimately decisive for the reform implementation. In general, higher education research suggests that this applies strongly to higher education because of the characteristics of its institutions (e.g. van Vught, 1995).

The assumptions of the bottom-up approaches are in sharp contrast with the top-down assumptions. Goals are considered ambiguous, and compliance can be problematic when values and interests of programme designers and implementers differ (Torenvlied, 1996; John, 1998).

An example of a synthesis approach is Sabatier’s (1988) Advocacy Coalition Framework. While starting with a bottom-up approach, Sabatier also incorporates top-down elements in his framework. He explicitly recognises that implementation does not take place in a one-to-one relationship between designers, implementers and targets, but is rather contained within a political (sub)system.

The implementation process and its outcomes are dependent on a large number of factors and conditions such as the availability of time and sufficient resources, the assumptions of the policy itself, its clarity, and credibility, the interests, views, expertise, resources, capacities and

support of the implementers, risk management, ownership, leadership and securing buy-in from those affected (e.g. Hogwood and Gunn, 1984; Goggin et al., 1990; Birkland, 2001).

Higher education studies on policy implementation also point to the distance between the policy plan and those at the shop-floor level that are expected to make the reforms work (e.g. Cerych and Sabatier, 1986; van Vught, 1989; Gornitzka et al., 2007). Higher education institutions are autonomous institutions rather than hierarchically subordinate bureaucrats, and as the result policies may not meet their initial objectives, as a number of studies convincingly show (e.g. Kogan et al. 2006; Kohoutek and Westerheijden, 2014; Westerheijden et al., 2007; Musselin, 2005; Trowler, 2002). In short, the particular nature of higher education institutions, generally known for their fragmented, bottom-heavy decision-making authority and loosely coupled structures, as well as the nature of the goods and services they are supposed to deliver, is likely to affect the implementation of structural policy reform.

Furthermore, these higher education studies indicate that compatibility, relative advantage (profitability), complexity, observability and organisational capacity explain the adoption of a reform (van Vught, 1989; Bartelse, 1999). Compatibility refers to the degree to which the policy ‘fits’ the existing institutional context. Profitability depends on the advantages of compliance for those affected by the reform; this concerns buy-in and agreement on objectives. It denotes whether those involved think they will reap (sufficient) benefits from the reform. Complexity of reforms denotes the numbers of goals pursued and their interdependence; increasing complexity makes them less likely to succeed as more things can go wrong in implementation (Sanderson, 2000). Observability has to do with the existence of (formal or informal) indicators of the reform. In recent years, much attention has been given to the development of indicators to assess reform success. It could be questioned whether this led to reforms focusing on achieving what is measurable rather than on aiming for what is relevant (Hood, 2006; King et al., 2008). Finally, organisational capacity is a measure of the ability of those affected to change their structure, behaviour and culture to comply with the reform goals and aims.

Policy Evaluation

The reform policy evaluation concerns the assessments of the content, process and particularly the effects of the reform policy. Various criteria

can be used and may relate to the different stages of the policy process. Obviously goal achievement is the key focus of attention in the evaluation process (Fischer, 1995; Patton, 1978; Pawson and Tilly, 1997). Assessing goal achievement however is not without problems (Kraft and Furlong, 2007; Dunn, 2004). First, policy objectives are not always clearly stated, making it difficult to assess their achievement. Second, policymakers may anticipate responses to reform policies, for instance, resistance and scepticism, and therefore adapt their ambitions in advance. Also, goals on paper and the real goals can differ. Rhetoric or consciously under- or overstating the goals complicates the policy analyst's work. Third, structural reforms may have more than one goal, possibly with some degree of conflict among the goals, which complicates judgements on effectiveness. Fourth, various groups of actors may hold different goals, which affect one or more of the policy stages to different extents: Which are then the goals against which the policy should be evaluated?

Also, many other criteria than goal achievement can be part of evaluation (Yeh, 2010; Bryk, 1983; DeGroff and Cargo, 2009; Linder and Peters, 1989; Salamon, 2002; Birkland, 2001; Kraft and Furlong, 2007; Dunn, 2004). We list these criteria in [Table 1](#).

Table 1 Evaluation criteria in public policy analyses

Goal achievement (effectiveness)	Certainty (administrative capacity and agent compliance)	Equity (fairness or justice in the distribution of benefits, costs and risks among actors)
Administrative intensiveness (administrative costs, operational simplicity, flexibility)	Timeliness (extent to which instruments work quickly)	Social and political acceptability and support
Political risk (nature of support and resistance, public visibility, chances of failure)	Costs (of developing, implementing and monitoring)	Technical feasibility (availability and reliability of technology needed)
Constraints on state activity (difficulty with coerciveness and ideological principles)	Efficiency (outputs related to inputs; goal achievement in relation to costs)	Targeting (precision and selectivity among actors)
Choice and agent autonomy (degree of choice and restrictions offered by the policy)	Accountability (extent to which implementers account for their actions)	Responsiveness (extent to which outcomes satisfy needs and preferences of particular groups)

The aims of the evaluation can also vary. On the one hand, evaluations may be carried out to take stock (summative). On the other hand, they may serve to draw lessons from and to improve the reform process (formative) (van der Knaap, 2004). Through feedback (information on content, process and effects), part of the reform policies can be readjusted, ultimately resulting in a fully effective structural reform (as shown already in Fig. 1). Therefore, a careful analysis of how reform processes are evaluated is needed, particularly because the final outcome of such an evaluation is supposed to feed back into the reform process.

Associated with evaluation of goal achievement is the question how important it is for the policy to be successful whether implementation is ‘high fidelity’, or whether there is tolerance for ‘low-fidelity’ implementation (Land and Gordon, 2013). A ‘low-fidelity’ policy would allow for a large degree of local variation in the ways in which actors might wish to approach the policy and finally achieve specific elements of its goals, and yet achieve the originally intended aims of central policymakers. Low-fidelity policies leave room for adaptation to context and require policymakers to trust shop-floor implementers of policy.

Time is a crucial factor in evaluating content, process and effects of a structural reform. A structural reform means that actors have to learn new rules and abandon old ones. Apart from the fact that based on their interests or capabilities some actors may be unwilling to do so, time is needed for such learning processes. Structural reforms have a time lag – only after a while lasting effects are likely to sink in. It may also take some time for emotions to ebb away and to make a ‘fair judgement’ possible. Finally, dissatisfaction during or just after the reform may shift to satisfaction when for instance the effects are more positive or less disruptive than initially thought.

EFFECTS AND OUTCOMES OF STRUCTURAL REFORMS

Describing, analysing and assessing the effects of structural reforms is far from problem-free. It depends on the yardstick (see the various evaluation criteria), the time frame (short-term (outcomes) versus long-term achievements (impact) or the type of goals (operational, tactical or strategic goals). For a reform to be successful, at least two conditions must be met. First, we have to determine to what extent the reform has been implemented as intended by the actor(s) taken as central to the analysis. Second, we must

investigate to what extent different kinds of goals have been accomplished as a result of the reform. If these conditions are not met, the reform should be regarded as not successful, even when goals are achieved. Goal achievement in such cases could for example result from unforeseen events or changing circumstances. Instead of, or next to, intended effects, unintended or side effects may occur (e.g. Bovens et al., 2001).

There are many reasons why reforms may not be successful. Flaws in design or implementation are among them. Choosing ineffective policy instruments or poor implementation, for whatever reason (see section on policy design and policy implementation), can equally prevent goal achievement. Below we list a number of factors that may thwart structural reforms (Ingram and Mann, 1980; Birkland, 2001). All of these factors may equally apply to the policy instruments.

As structural reforms do not happen overnight, circumstances may change after a reform policy has been designed. What seemed reasonable to assume at the time can become obsolete through later, disruptive events.

Policies are interrelated and structural reforms may benefit from either higher education or public sector policies, or other policies may hinder the implementation of a structural reform. The multiplicity of policies can cause complex dynamics, and incompatible policies may not lead to the intended effects, or not to the extent desired.

A structural reform's success also depends on the level of ambition. Excessive or unrealistic expectations and demands easily contribute to feelings of disappointment, indifference or resistance, preventing reforms from becoming successful. Politicians sometimes promise too much to please their constituency, or stated policy goals are not the actual goals, as policy-makers just want to trigger change (symbolic instead of realistic goals).

For several reasons, the set of assumptions about cause and effect (policy beliefs or policy theory) may appear to be incorrect in practice. These unintended effects may be positive or negative, and need careful attention (but cannot be known in advance) as it may affect the overall judgement about the reform. Finally, stakeholders usually have their own perceptions and thoughts about goals and means (and the relationships between them), depending on their position, resources and beliefs (as we will argue in more detail below), and may react to policies in unexpected ways (Bovens and Hart, 2016).

Although we cannot take such tensions away, the result of the awareness of the ambiguity in goal achievement assessment is that we will present as much as possible a balanced view in which the opinions

of various stakeholders are being heard. Moreover, we will also take into account the context in which the specific structural reforms unfolded.

STRUCTURAL REFORMS IN CONTEXT

Structural reform processes affect and are affected by the social, cultural, economic and political contexts in which they are embedded. General as well as sector-specific institutional settings, interconnectedness of policy domains and path dependency frame the space in which structural reforms emerge and develop.

This is, on the one hand, an important conceptual and theoretical point. Individual reform projects do not come into a vacuum, but are interacting with the outcomes of prior reform projects as well as the overall governance context. This is in particular important when assessing goal achievement and exploring the antecedents thereof. Here, a distinction between failures of a specific policy – for example, due to inappropriate policy instruments – and more generic governance failures – concerning the overall coordination in a specific sector and the state’s capacity to provide effective governance in general – is important (Peters, 2015). In this respect, it is important to focus on (1) the policy content of the reform itself and (2) the institutional arrangements and actor constellations which may affect in a more general way the policy process, in particular implementation (May, 2015). The action arena approach we outlined above allows us to do this, without assuming a priori that institutional arrangements and actor constellations remain the same in all stages of the policy process.

There is also a methodological aspect to this. The 11 cases are diverse in terms of general context characteristics such as population size, global competitiveness, quality of governance and economic growth, as well as in terms of higher education context characteristics, including higher education sector structure, student enrolments, tertiary education attainment and higher education expenditure.

The 11 European higher education systems in this volume developed through different histories, traditions and backgrounds. More than half of the systems have a Humboldtian legacy in terms of widely held views on higher education. One system has an Anglo-Saxon tradition (Wales) and two have a Napoleonic history (France and Spain). The steering modes in higher education show both similarities and differences across the selected countries. While many higher education systems traditionally operated

within a state steering governance model (state control, strong hierarchy, centralised decision-making and limited autonomy of institutions), almost all have moved away from this model in the last two decades, although the direction and timing of these changes in steering approaches have been different. Currently, more institutional autonomy, strengthened university self-regulation capacities, greater stakeholder involvement and a state role ‘limited’ to setting market rules are more common. Only in the UK, an opposite movement seems to have taken place, where the government – although in NPM steering-at-a-distance mode, has taken more of a steering attitude to the higher education system since around 1980.

Unforeseen events such as an economic, social or political crisis can evoke or block change. Major events such as the global financial crisis or a radical political change in a country while the structural reform is being designed or implemented may affect the outcome. Also, ‘radical’ reforms in other parts of the higher education sector or adjoining domains may leave their imprint on the structural reforms. The Bologna process could serve as such an example: the focus was largely on degree reforms, but many other impacts on national events at the system level have been noted (Westerheijden et al., 2010).

Each country study presented in this book starts with a short description of the background and context of the structural reform. Apart from this contextualisation, in each case study, it has been investigated if there have been external or disruptive events that have affected the reform process or its outcomes.

BRIEF NOTE ON THE METHODOLOGY OF THE COUNTRY STUDIES

Case study is the research design of choice whenever the linkages between phenomena are too complex for surveys or experimental set-ups (Yin 2014). Structural reform policies are made up of such complex interdependencies. Accordingly, this volume follows the logic of comparative case studies. For the cases to be as comparable as possible, we made the case study structure as similar as possible, allowing for ‘lateral reading’ to analyse whether and how particular action arenas are related to their counterparts. ‘Lateral reading’ is what we will do in the final chapter of this volume.

In this first chapter, we have detailed the conceptual frameworks that provide the ‘lenses’ through which we look at the 11 structural reforms without constraining the analyses into a single theoretical straitjacket. In each country study, we wanted to reconstruct the steps taken in the policy processes: from initial plans and decisions detailing general aims, through

the political processes needed to gain sufficient support, put proposals on public agendas, and up to the main decision(s) defining the policy. Furthermore, we wanted to reconstruct the implementation process and find out the outcomes and impacts of the policy as it had been implemented. This implies we needed not only to look at the main policy documents, but also to gain insight into various stakeholders' views on the process elements and how goals as well as instruments chosen were influenced by various points of views. Moreover, to gain insight into the sometimes only partly explicit contexts and goals, and especially to gain independent assessments of outcomes and impacts, we resorted to existing evaluation studies or evaluation reports wherever possible. In other words, our main research methods were (policy) document analysis and expert interviews, complemented with secondary use of existing academic or policy-related evaluation studies.

The basis of our studies on structural reforms was a systematic, critical summary of existing documents, which range from policy papers and legislation to descriptive and evaluative studies. These documents formed a robust starting point, for they offer primary written data. Descriptive and evaluative studies were weighed according to the strengths of the evidence provided: in-depth thick and analytical descriptions by knowledgeable independent observers lead to better information and stronger evidence, respectively, than personal reflections and unstructured single-case studies. Studies by independent researchers provide more trustworthy evidence than studies by parties in the policy process. Our pre-structuring of the case studies intended to avoid researchers' subjectivity in reading primary and secondary sources.

Written materials, however, do not suffice to describe situations before and after the reform, to inform about the actors' points of view and about their interactions (i.e. the actual policy process). Also to gain different actors' views on the policies and goal attainment, expert interviews were needed. The choice of experts depended on the availability of trustworthiness and completeness of evaluation studies in each case. The general rule we used is that different points of view must be sought in the multiactor and multilevel arenas of higher education systems. Semi-structured approaches were used to answer the research questions emanating from the conceptual frameworks while leaving room for additional fact-finding and fine-tuning to the local and individual situations. By means of triangulation of interview results against other interviewees' points of view and, where possible, against written sources, we minimised the risks attached to the limitations of expert interviews (Berry 2002; Westerheijden 1987).

A further consequence of this research methodology was that we could work with colleagues, who know the local languages in each of the 11 cases, who could gain access to the experts to be interviewed and who had research-based insight to evaluate the literature. We feel privileged that we could bring together the set of researchers who fulfilled all these requirements and who were willing to make the analyses collected in this volume.

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PART I

Horizontal Differentiation Processes

Reform of the Fachhochschulen in Austria

Attila Pausits

INTRODUCTION AND HISTORY

Fachhochschulen (FHS, universities of applied sciences) are one of the pillars in binary higher education systems in some of the European countries (Germany, Switzerland or Finland), whose roots date back to the 1960s and the 1970s. Contrary to this, Austria started to focus on the diversification and expansion of the upper-secondary schools sector (BHS) only in the early 1990s, when the issue of (international) recognition of BHS qualifications became relevant due to Austria's accession to the European Economic Community (EEC). Namely, in 1989, the Council Directive 89/48 of the EEC clarified the procedures concerning recognition of diplomas, certificates and titles obtained outside of higher education within the EEC. This Directive aimed to extend the system of mutual recognition to those professions for which the required level of training is not necessarily equal to higher education within the member states, thus making it clear that the Austrian BHS diploma did not equate to a higher education diploma. To become a member of the EEC, Austria had to respond to 89/48/EEC by increasing the level of BHS education and by diversifying its higher education (Höllinger, 2013).

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The Government responded to the Council Directive concerning conformity of diplomas by introducing the idea of FHS into the working programme of the new coalition. The further development of non-university alternatives in the post-secondary sector with a considerable emphasis on educational reforms was one of the major concepts of this new programme. This period was dominated by two major policy reforms (Pechar et al., 2001, p. 49). One was in line with new public management movements (Enders, 2007), which sought to reform university management (Huisman and Pausits, 2010) and increase institutional autonomy (Pratt et al., 2004). The second policy goal was to implement non-university higher education in the form of FHS (Unger et al., 2005).

Only 4 years later, in 1994, the first programmes (Studiengang) started at FHS. By 2013, the sector had increased the number of students from 695 to 43,592; the number of programmes from 10 to 399; and first-semester student intake from 114 to 12,322 (BMWF, 2015, p. 4) at 21 FHS. Although these figures show the significant growth of the sector, in comparison to the university sector in Austria or to other countries like Germany or Switzerland, the FHS sector remains rather small (Höllinger, 2013, p. 46; Hackl, 2009, p. 17).

The literature over the last 20 years on Austrian higher education frequently refers to FHS as a success story (Unger et al., 2005; Pechar, 2004a; Höllinger, 2013; Brünner and Königsberger 2013). FHS' perceived success is derived from its uniqueness in Europe and because of the initial difficulties around the establishment and implementation of this new sector. As the policy reforms took place 20 years ago, this chapter focuses on the implementation of the policy reform and highlights the more significant improvements and changes vis-à-vis the original policy in the last 20 years.

THE GOALS OF THE STRUCTURAL REFORM

Given the rather small higher education sector in Austria in the 1990s, the goal was to establish a non-university post-secondary sector in line with comparable European countries, such as Switzerland or Finland. The development of the FHS sector was spurred by the social promise of equality of opportunities for society, and at the very same time by the major assumption in Europe that economic growth could be reached by investment in education and research through the 'mobilization' of talent resources. Moreover, the roots of the new FHS sector are a result of

criticism of the given higher education system from three perspectives (Hackl, 2004, p. 40):

- *Lack of flexibility and the discipline-oriented focus of study programmes*

Given the regulations concerning changes and introduction of new curricula, it took a long time and a tremendous amount of resources to improve or adapt study programmes at universities.

- *Relationship between the state and universities, and the critique of the university as an organisation*

Prior to the new Fachhochschulstudiengesetz (University of Applied Sciences Studies Act) (FHStG) and a new Higher Education Act (UOG 1993), university organisation and regulation were rooted in the 1975 Higher Education Act, the major values of which were democratisation and participation. Already in the early 1980s, the relationship between the state and universities was heavily criticized. The discussion about increasing university autonomy in the 1980s and the government's aspiration to give more freedom and autonomy to the universities led to a new 'experiment' with FHS as greenfield developments (which will be explained later) in 1993.

- *The existing state funding scheme and budget regulations and their limited efficiency*

Experiences with newly established institutions and miscalculation and cost expansion at state level called for a different approach. As the new government plan also focused on austerity, it was clear that new funding mechanisms, including private or mixed funding, could overcome these challenges and support the defined goals, as well as deliver answers to major criticism of the state of higher education in Austria.

When the government of Austria passed the FHStG there were three major, overarching strategic goals of the policy reform, which were clearly formulated at the beginning of the policy process as explicit goals (Wadsack and Kasparovsky, 2004, p. 38; Lassnigg, 2005, pp. 39f; Hackl, 2009, pp. 17f), namely:

- To implement practices related to vocational education at tertiary education level to diversify and expand the supply of service;
- To develop study programmes based on the needs of the market and the economy, and communicate the skills needed to undertake the tasks of particular occupational fields;
- To promote the permeability of the educational system and the flexibility of graduates regarding various occupations.

These key goals, which are often used to underline the need for FHS and their core functions and roots in Austria, have also led to further implicit goals of the policy reform (BMWFW, 2015; Brünner and Georg, 2013; Bundesministerium für Wissenschaft und Forschung Österreich, 1992):

- To enhance capacity and relieve universities by increasing the number of students in FHS;
- To improve education and continuing education through diversification;
- To reduce regional disparity by establishing FHS in rural regions to ‘spread out’ higher education across the country;
- To deregulate and decentralize the system (including new forms of quality assurance and a focus on output);
- To create a more efficient higher education system by achieving regular completion times and high completion rates and thus increase the system’s performance.

The good reputation of BHS and the rather small investment required to upgrade them (as the institutions were well established) were key reasons to go with this solution. Supporters of the other idea, namely the establishment of new institutions from scratch, claimed it would be quicker, less burdened by the history of BHS and strong stakeholders, and allowing more freedom in terms of institutional implementation (Höllinger, 2013). The experiences of universities, including the complexity of the dependencies between the state and universities (Altbach and Peterson, 2007), underlined the benefits of a fresh start. Furthermore, universities in Austria complained of limited and inadequate autonomy at that time (Pechar, 2004a).

Based on these experiences, it was decided by the new government that the new institutions should operate according to the following basic

principles (Höllinger, 2013, p. 47): (1) the new FHS will be autonomous and responsible for their affairs; (2) legal regulations will pertain only to limited and major aspects (FHStG); (3) in contrast to universities, FHS will limit bureaucracy; and finally (4) the Bund (federation) gives up its monopoly on higher education.

In the end, the new policy led to the horizontal differentiation of the education system in Austria (Pechar, 2004a; Unger et al., 2005; Pechar and Pellert, 2005); namely, the clarification between BHS and FHS in line with EEC regulations and the need to create a distinction between FHS and universities, as FHS were not upgrades but newly established organisations with neither tradition (Höllinger, 2013) nor an existing profile (Hackl, 2004), structure and staff (Österreichischer Wissenschaftsrat, 2012).

There was previously not a tendency in Austria to turn the provider into (private limited) companies. ‘The reason is the liability and the fact that in the Austrian tradition there are no autonomous legal forms for the exercise of functions in the non-profit area’ (Einem, 1998, p. 46). FHS also facilitated the ‘academisation’ of the professions. In 2006, in line with international trends, the government passed the Health Care and Nursing Act (GuKG), the Midwifery Act (HebG) and the Clinical Technical Services Act (MTD), which allowed non-medic healthcare professionals to also be trained at FHS. Many regional governments have exploited this new possibility, replacing the medical-technical academies and midwifery colleges with BA study programmes at FHS. Some of the regional governments have even established new FHS to serve the expansion of higher education into these disciplines, whilst others have integrated these new programmes into the existing organisations. Funding, as is the case with medical-technical and midwifery colleges, remains in the hands of local governments.

As such, a new funding concept has emerged and been integrated into the system. As mentioned, the abovementioned study programmes are still funded by local governments even though they are now part of the FHS sector. However, in most cases the MA programmes are not funded by local governments. Instead, these new postgraduate programmes rely on study fees to offer second-cycle education. The policy reform, and the associated funding scheme, does not contain plans to introduce other funding models. Thus, the academisation of some professions has led to additional funding mechanisms and the expansion of the sector, including new, specialized FHS.

THE POLICY DESIGN PROCESS OF THE STRUCTURAL REFORM

Given the two potential policy scenarios (i.e. upgrading BHS or greenfield FHS), two different ministries played important roles. The Ministry of Education (BMUK), responsible for BHS, and the Ministry of Science (BMWF), the governmental entity for higher education institutions, took different approaches to the design of the structural reform (Pechar 2004b, pp. 55f). Both ministries have claimed a leading position in the structural reform's design process.

The expert group at BMUK, responsible for vocational schools, immediately started with development work for new curricula to upgrade BHS. As curriculum development was one of the core competences of the ministry, the group embarked on the design process of the new policy process from this starting point. Another reason for this quick move was to gain a competitive advantage by being the first movers. With immediate action, they could outrun the system and avoid further discussions throughout the implementation process and, thus, be ready to start soon. BMWF took a different pathway and worked at a more conceptual level. BMWF tried to put the policy reform into a broader context by reviewing the current state of policy, identifying major challenges that the sector faced. Being responsible for universities, BMWF also worked on a new Higher Education Act, which tackled institutional autonomy and quality assurance of universities.

In fact, two different time schedules appeared during the design phase of the policy: task-based activism versus an experienced-based conceptualism at the two different ministries resulted in two different solutions. To overcome this conflict, BMWF proposed a review of Austrian higher education policy by the OECD. Such a report broadened the discussion about the new policy as well as brought an outside perspective to the national discussion. Furthermore, the background report, which was required by the OECD, was prepared jointly by the two ministries. It addressed fundamental issues of the new policy reform and provided a framework for internal and external reviews. Based on the timeline of the OECD report (BMWF 1993), the immediate, narrow, task-based policy design approach of BMUK was no longer possible; a broader design process had to be accepted. In the end, the decision about the OECD report most probably led to BMWF taking over the policy design process as the responsible ministry.

A series of workshops were organized by BMWF to support the preparation of the background and OECD reports (BMWFK, 1995).

International experts were invited in order to introduce other European concepts. Stakeholder groups also attended such workshops, including key persons from the coalition parties, social partners like employers' representatives, teachers' unions as well as universities and BHS. The OECD policy review started in 1992. It provided support from the beginning for the planned policy reform and the establishment of the new FHS sector.¹ According to Jungwirth (Jungwirth, 2014), the policy gained key support from the highest political ranks (e.g. the Minister for Science, a party Spokesman of Science, the Head of the Department for Higher Education at the ministry and the President of the Rectors Conference) in addition to the organisational actors involved. These individuals were the architects of the policy that was eventually implemented.

A number of stakeholders (e.g. chamber of labour, universities etc.) did not participate from the very beginning of the design process, described as portraying 'silent scepticism' (Pechar, 1990–1994 p. 53). At a later stage, they were invited by the administrative core to join the process and had the chance to take a formal position.

Table 1 shows the different bodies involved and their role and influence on the policy design process.

Besides the expert groups, all actors had political or administrative power in the design process. However, the expert group was the engine

Table 1 Policy design actors in Austria

<i>Involved bodies</i>	<i>Role</i>	<i>Power</i>
Political parties	Identify goals, negotiate the design process, decision making	Political
Administrative core (BMWF, BMUK)	decision support services (e.g. reports, workshops)	Administrative
Expert groups (background report, OECD review, etc.)	Think tank, design of concepts (e.g. accreditation model), preparatory work (report writing), international perspective	Informational
Chamber of Labour	Opinion formation, representation of interests	Political
Chamber of Industry/Commerce	Opinion formation, representation of interests	Political
Rectors Conference (Universities)	Opinion formation, representation of interests	Political, informational
BHS	Opinion formation, representation of interests	Political, informational

Adapted from Hackl (2013) pp. 56–57.

of the final design, acting as a think tank in the process. The political willingness for change, international pressure via the OECD and EEC, and strategic moves like inviting the OECD shifted the opinion on the policy reform from being rather divergent to rather convergent.

The allocation of responsibilities and the definition of concepts was a political and organisational contest between the ministries rather than the parties or stakeholders. However, the process can be described as consensus-oriented, well-defined and broadly reflected upon. The involvement of key stakeholders, as well as the distribution of responsibilities and tasks, the milestones, strategic moves and decisions underlined the legitimacy of the output. Such a radical change and greenfield solution to establish a new non-university sector in Austria was the result of the interplay between differentiated actors (parties, administrative core, opinion leaders). This interaction strengthened their capacities as individuals or groups to take action in the process and support an ultimate solution.

On the other hand, the success of the policy design process was aided by the lack of strategic alliance between the opponents of the proposed solution (Höllinger, 2013). In contrast, the existent broad consensus for change was a result of an inside-out and outside-in process. The perceived fundamental need to diversify the system and to facilitate the recognition of degrees in an international context led to a common view of the policy reform by the majority of actors. A common course of action would not be possible without the consensus of the major political forces and individuals as well as a technical framework, legitimised by external review and political and expert support.

During 20 years, there was no serious discussion about policy reforms regarding the non-university sector in Austria (Jungwirth, 2014; Holzinger and Koleznik, 2014). Given the absence of any serious policy reform process for so long, such a rational approach to the FHS policy reform is highly remarkable. As the goals were clearly formulated, alternatives described, explored and internally and externally assessed, as well explicit targets defined and implicitly discussed and measured, we can argue that this was a rational policy reform, which took place over a comparably short period of time.

One of the major goals in terms of policy instruments was to solve the power conflict between BMUK and BMWF in the design process and to choose one of the two possible solutions. Indeed, there was a major concern, mainly from the Chamber of Labour, that the 'privatisation' of the non-university sector would be later followed by the privatisation of

universities. The policy design process utilised a number of policy instruments to overcome this conflict, which can be identified as information tools.² Focus and expert groups, advice (OECD), workshops, trainings and reports supported the dissemination of information and the broader involvement of interested bodies. Regulation based on the FHStG and, later on, the certification and accreditation of study programmes were also used by authorities. The foundation of the sector is the FHStG, which is a law pertaining to studies and not, as in other countries, an Act of and for an organisation.

KEY ACTORS AND CHARACTERISTICS OF THE IMPLEMENTATION PROCESS

The implementation of the reform was a straight-forward process without any major hick-ups or fundamental changes of the process. Of course, since FHS programmes began, the FHStG has been adapted several times. Since 1993, 11 amendments have been made to the law. Most of them did not significantly impact the FHS sector. In fact, the last amendment brought the most radical change, which disestablished FHR and replaced it with a national accreditation agency (QA Austria) for all types of higher education institutions. Regular reporting on the implementation of the sector by the ministry and by FHR has also been used to monitor the sector's developments and identify challenges.

The most innovative part of the new FHS sector was its quality assurance and normative funding scheme. A Fachhochschulrat (Fachhochschule Council, FHR), which reviews and judges the scientific and pedagogical-didactic quality of the study programmes and approves them by decree, was established. The FHR was an independent body outside traditional governmental structures and did not belong to a ministry. The accreditation model is derived from the legal system, in which the sector is to a large extent subject to professional self-control, with national authority limited to ensure this control (Einem, 1998, p. 44). Balancing autonomy and responsibility, quality assurance played an essential role.

Quite soon, in 1996, the newly established FHS institutions and programmes created a FHS network: The Association of Austrian Universities of Applied Sciences (Fachhochschulkonferenz, FHK). The FHK supports FHS in achieving common educational goals and represents the interests of the institutions in Austria and elsewhere.

Furthermore, the institutions providing the study programmes were key actors in the implementation process. They are responsible for the provision of resources, contracts, personnel (administrative and teaching staff) and the budget (Hauser, 2002). Given that the FHStG focused mainly on study programmes rather than on institutions, a variety of institutional types, legal statuses and funding structures emerged. Most of the institutions are private institutions or voluntary organisations by status. Only one – Theresianische Militärakademie (Theresan Military Academy) – falls under the Ministry of Defence and therefore belongs to the federal government. The other providers are predominantly owned by regional bodies, municipalities and other public bodies like the Chamber of Commerce. Private companies also own shares of a few institutions.

Federal financial support to establish the new sector was of course important for the implementation of the policy. The ownership constructs of the new institutions meant that funding also came from other sources than the state (federal) budget, such as municipalities, etc. However, the federal government assumed the key responsibility for funding the main purpose of the FHS, through normative funding schemes based on study places (Lassnigg, 2005).

Indeed, one characteristic feature of the FHS sector is the system of mixed funding based on the normative cost system. The federal government bears 90 % of the personnel and running costs per study place (norm cost model) (Pechar and Pellert, 2005). Further costs (for buildings, investments, etc.) are borne by the provider. Usually the governments of the federal provinces, regional and supra-regional territorial authorities or other public and private institutions assume part of the costs. This deregulation can be linked to the diversified providers' profiles, their different ownership and funding constructs (apart from the normative funding scheme of the study programmes) and the legal framework of the new FHS sector with its focus on study programmes and not on organisational issues.

FHStG sets out minimum requirements for the providers, requiring a Fachhochschulkollegium (FHS Collegium), which oversees the study programmes similar to a university senate. Described in the FHStG, FHS Collegia were therefore key (internal) actors in the implementation of study programmes and the policy at an institutional level.

Table 2 shows the key actors involved in the implementation and operation of FHS. The roles underline the main goal of decentralisation and deregulation in higher education. Namely, the role of the state is restricted

Table 2 Policy implementation in Austria

	<i>Parliament</i>	<i>Government</i>	<i>FHR</i>	<i>Provider/ Institution</i>	<i>Collegium</i>	<i>Lecturers and students</i>
Access and pursuit of professions Studies, examination	Vocational legislation: law	Awarding the designation 'FH'	Accreditation of degree study programmes	Proposing study programmes to FHR	Proposing new and closing old study programmes	Development of study programmes
Access			Consent to the admission criteria	Proposing admission criteria		Drawing up the admission criteria
Personnel		Appointment to FHR	Examination of lecturers' qualification	Contracts of employment	Recommendations for new teaching staff	Collaboration in personnel selection
Funding	Approval of state budget	Financial proposal, Development plan	Examination of infrastructure and financial planning	Provision of funds	Institutional budget proposal	Detailed financial plan
Monitoring	Acceptance of FHR reports, controlling state spending	Acceptance of FHR reports, controlling allocated means	Examination of evaluation reports, final exams		Evaluation of educational activities	Evaluation report

Adapted from Hackl (2013) pp. 56-57.

to planning and monitoring, while the other newly established entities take over the functional tasks and responsibilities of implementation. The FHR has a bridging function between the ‘field’ and the state. Of course, students and staff are also key to the success of such a policy reform.

The government introduced also a so-called Development and Funding Plan (Entwicklungs- und Finanzierungsplan), which had a five-year planning perspective. This policy document included the long-term funding commitments of the government and future perspectives of the sector (Pechar and Pellert, 2005). The first policy document in 1994 covered the first 5 years of the reform. It included the total number of study places to be financed by the government and also gave target student numbers for FHS for 5 years. With this information, the government explicitly set targets regarding the speed and size of the implementation process (Unger et al., 2005). The development plan also included a set of criteria to select study programmes for future state funding. The key criteria were (Pechar and Pellert, 2005, p. 107):

- Demand of the Austrian Economy for such a programme and qualification;
- Regionally balanced provision of higher education;
- Improvement of admission for new target groups.

With this policy instrument, BMWF delivered subsequent five-year implementation plans for the whole sector. Lassnigg (2005) identifies the first two Development and Funding Plans as being the key milestones in the implementation of the new sector. Bottom-up decisions about location, ownership, profile, etc. were matched with central coordination of the implementation. For each funded study programme by the government a contract between BMWF and the provider was concluded. With these instruments the government led the implementation in terms of design speed, funding and content criteria (Pechar, 2013).

The interplay with other sectors in upper-secondary education and the goal to unburden universities forced the government to consider the development of the other sectors during the FHS implementation process (Hackl, 2009). Therefore, a faster quantitative expansion and a wider roll-out of the policy depended on the development of the other sectors as well. The government decided on a ‘mid-tempo’ implementation (Höllinger, 2013). The implementation of the FHS reforms was both top-down and bottom-up. The provision and establishment of institutions – locations, development

of profiles, study programme portfolio and funding schemes – was a bottom-up process. The governmental development plan and funding scheme was a top-down process, providing general directions regarding study programmes, funding and the amount of study places in the field.

The FHR, as an independent, neutral body, took responsibility for quality assurance and accreditation based on a set of quality criteria. From this perspective, FHR to a certain extent balanced the two implementation pathways; bottom-up and top-down. Thus, FHR coordinated and managed accreditation, the ministry provided the funding and development framework, and institutions implemented practices and provided study programmes at the front line.

A missing element, until the last development plan in 2015, was the continuous monitoring and evaluation of the previous development plan. Nevertheless, the overall target figures regarding the number of study places have always been reached. Every 5 years, a new development plan produced further conditions, the roll out of new programmes and an additional number of new study places. However, the criteria for implementation were fragmented. The evaluation of the educational policy goals was not explicit. Instead, the evaluation process had a clear focus on study programmes. Specifically, evaluation indicators were mainly quantitative, such as the number of study programmes, number of students, funding, etc. The ministry also developed a score table, which was used to judge the eligibility of programmes for funding. As such, policy evaluation was limited to the fulfilment of the development plans. This changed in 2015 when, after 20 years, the government evaluated the previous development and funding plan. The lack of prior evaluation can perhaps be attributed to the fact that the policy sought further deregulation of what was an overregulated sector in the 1980s. A systemic review of the policy at regional level, for example, or comparisons with other sectors as well as at subject level was not part of a broader, systematic evaluation process.

The evaluation of quality through study programmes was in the hands of the FHR. As an independent, neutral unit, its role was to evaluate and accredit study programmes and thus ensure a sufficient standard of education in the new sector. The FHK, as the association of FHS institutions and programmes, also had a role as the voice of the sector. These two entities played the most important role in the evaluation and feedback process. Of course, other stakeholder organisations, like the Wissenschaftsrat (Austrian Science Board), also developed review and policy reports (Österreichischer Wissenschaftsrat, 2010, 2012).

Contrary to the general lack of evaluation mechanisms, at the preparatory stage of the third development plan, in 2002 the ministry asked an expert group to review the implementation of the FHS sector, which was to be used to prepare the third funding and development plan in 2003. The review was conducted by national and international experts with the following focus (Lassnigg, 2005):

- The significance of the FHS sector in the Austrian higher education system;
- Efficiency and effectiveness of the funding and development planning;
- Development and allocation of the institutions in rural areas;
- International positioning in light of the EHEA;
- Functioning and effectiveness of quality assurance.

It underlined the weakness of the policy evaluation, indicating that the funding and development plans were fragmented and had a strong focus at the programme level. However, the recommendations of this review did not substantially appear in the new funding and development plan. On the contrary the policy level and its review, and the evaluation of the explicit and implicit policy goals, increasingly disappeared throughout the implementation process. This might be due to the success of the implementation as the sector developed well and the identified targets were reached.

The lack of evaluation might account for why one of the goals, which was to bring higher education to the regions that did not have universities, partly failed. Indeed, more and more FHS were established in congested areas, which already had established universities. The market orientation of the institutions, the students' preference to study in (big) cities and funding mechanisms based on student numbers led to a further concentration of higher education rather than a balanced spread across the country.

MILESTONES, CHANGES AND SIDE-EFFECTS OF THE STRUCTURAL REFORM PROCESS

The following section highlights the most encompassing policy changes including side-effects over the last 20 years in HE, which have influenced the original structural reform in Austria. The reforms and amendments to

the FHStG has the accreditation process of study programmes changed. The practice showed that 6 months were not enough to run the process. Therefore, accreditation has been extended up to 9 months. (First amendment 1994). Furthermore the amendment to the FHStG in 2002 ultimately introduced the new two-tier study system (Bakkalaureat (FH) and Magister (FH) programmes) as possible options for FHS degree programmes. Later in 2006, the degree programmes were renamed to bachelor and master degree programmes (Bachelor-und Masterstudien), including the introduction of ECTS.

After the fourth amendment adopted in 2002, only organisations whose main nature and purpose is to offer FHS study programmes can use the name Fachhochschule. These changes made clear that the government requires a professionalised organisation; that the implementation of the FHS sector needs specialized organisations with core competences and a focus on such study programmes. Just a year later in 2003 the FHStG was adapted, influenced by international developments. First, the birth of joint degree programmes, which allows FHS to offer and run study programmes in conjunction with other higher education institutions, including universities and teacher colleges. Furthermore, FHS could in the future offer continuing education study programmes (Weiterbildungslehrgänge). The new FHStG also required providers of study programmes to maintain institutional quality management systems to assure and enhance the quality of the organisation.

One of the mayor changes took place with the tenth amendment, which led to a new quality assurance organisation in Austria for the entire higher education sector in 2012, AQ Austria. This meant the merger of all pre-existent quality assurance agencies. The responsibilities previously held by the Austrian Quality Assurance Agency (AQA), the FHR and the Austrian Accreditation Council for Private Universities (ÖAR) were transferred to AQ Austria. Thus, FHR came to an end after almost 20 years of operation. Sectoral knowledge developed by FHR as well as its independent position to balance top-down and bottom-up approaches were moved and integrated into the new organisation. To date, programme accreditation as the dominant quality assurance practice has been improved and more emphasis has been placed on institutional accreditation in the FHS sector too. A new quality assurance law and framework for Austria was also part of the tenth amendment to the FHStG. The Quality Assurance Framework Act (QSRG) entered into force in 2011, establishing a common legal framework for external quality assurance at public universities, FHS and

private universities. The Act contains amongst other things a new Act on Quality Assurance in Higher Education (HS-QSG) as well as comprehensive amendments to the FHStG, the Private Universities Act (PUG) and amendments to the Education Documentation Act (BidokG), the Health Care and Nursing Act (GuKG), the Midwifery Act (HebG) and the Clinical Technical Services Act (MTD).

A recent change in Austria relates to student unions. The Union of Students Act 2014 (Hochschülerschülerinnen-und-Hochschülerschaftsgesetz 2014, HSG 2014) governs the organisation and tasks of the Austrian Union of Students (Österreichische Hochschülerin-nen-und Hochschülerschaft, ÖH) and its counterpart unions and student representatives in public universities private universities, FHS degree programmes, and at postsecondary colleges. In 2015, FHS students elected student representatives of their institutions and become members of the Austrian ÖH. This new, enlarged body, which encompasses all higher education institutions, might also contribute to the further harmonisation of the system as well as give more sectoral power to students.

At the end the Bologna reform brought university education, namely the BA, closer to FHS study programmes in terms of length, goal and programme implementation. However, the third cycle is one of the most challenging issues in the university-FHS relationship. Graduates of FHS programmes that are recommended by the ministry could easily continue on to a doctorate. But based on institutional autonomy, universities make admission decisions by themselves regarding whether FHS graduates can access PhD places. The ministry has less influence and struggles to maintain permeability between the two sectors.

REFLECTION ON THE STRUCTURAL REFORM PROCESS AND OUTLOOK

The FHS sector has enhanced the capacity of the higher education system and relieved universities by allowing an increased number of students into targeted study fields. However, the sector still remains small compared to the university sector in Austria. A new debate to move study programmes from universities to FHS has been recently initiated by the ministry. Indeed, some of the existing university programmes might better fit FHS. Instead of parallel structures and programmes, further stratification is required. Positioning, cooperation and competition are and will be the

key fundamentals to fulfil this policy goal of the FHS to diversify higher education in Austria.

The goal to ‘reduce regional disparity by the establishment of FHS in rural regions to “spread out” higher education over the country’ has been partly achieved. The picture remains diverse across the different regions. While regional disparity has been reduced, it seems that the goal of marketization supersedes reducing disparity.

One can argue that deregulation and decentralization of the system (including new forms of quality assurance and delegation) have been achieved. Furthermore, the positive experiences with these goals in the FHS sector have had a constructive impact on the decentralisation and reform of the university sector in terms of autonomy and new public management.

The new policy has allowed regional governments to enhance their impact on higher education, offering them access to the political and educational arenas. As regional governments had no influence on universities, the new mixed-funding approach allowed them to gain considerably more power to shape and develop higher education and the political agenda on education in general (Pfeffer, 2004, p. 79). The intention to decentralise FHS, as manifested in the FHStG, did not foresee what would become the strong involvement of the regional governments (Länder) as maintainers of the FHS sector. The involvement of these regional authorities, and also municipalities, led to a ‘Verlängerung’ (Hackl, 2004, p. 43) of the sector. Indeed, the original goal of less state influence and involvement at the national level led to a greater degree of influence at the regional level. On the other hand, different regions were involved in the implementation of the FHS sector at different developmental stages. Some of them were involved with the first programmes; others were second movers or even latecomers. This means that they gained political influence on higher education at different stages.

Efficiency was one of the drivers of the policy reform. The request by a variety of stakeholders for more efficiency and less bureaucracy led to new FHS legislation, which focused on the regulation of study programmes rather than organisational issues. A reduction of regulation to a minimum as a crucial criterion has had a positive impact on the achievement of policy goals. Indeed, Austria has successfully managed to educate more students within regular study time, with low dropout rates and more closely aligned with market demands (Unger et al., 2005; Pechar and Pellert, 2005).

As one of the goals was ‘to promote the permeability of the educational system and the flexibility of graduates regarding various occupations’ (Lassnigg, 2005, p. 39), issues of equity also came to the fore. On the other hand, the establishment of the FHR as an independent, non-governmental entity responsible for quality assurance and accreditation for the sector gained political and contextual legitimacy. Policy makers had to accept the outcomes and judgements of an entity that was not bounded by governmental instructions. The FHR contributed to the bottom-up legitimacy and acceptability of the reform and its implementation.

The reform was responsive to the spirit of the time, to international developments and national boundaries, and offered possibilities to share the different opinions of interests groups. After BMWF took over as leader, the policy reform process shifted from design to implementation and goal achievement, and the actors involved became more responsive. A policy reform such as the FHS in Austria cannot meet every preference of every stakeholder completely. Rather, it appears that at different stages of the reform there needs to be a distinction between core and periphery, which is part of a responsive policy making process.

The FHS policy reform has been identified as a successful reform, which started from scratch. In the upcoming years, the role of FHS in education will increase (the target ratio between FHS and universities is 60:40) and answers will be delivered regarding the position, function and (different) profiles of FHS. The re-positioning of higher education institutions has just started.

NOTES

1. In actual fact, this policy review was published in 1995 after the new FHStG had already been passed. However, it was supportive of the policy design process as a vehicle for a broader conceptual discussion and the inclusion of external views in the process.
2. The chosen policy instruments were also simultaneously employed for another policy reform regarding university autonomy.

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Partial Horizontal Differentiation in Croatian Higher Education: How Ideas, Institutions and Interests Shape the Policy Process

Jelena Brankovic and Martina Vukasovic

INTRODUCTION

After the dissolution of the former Yugoslavia in the early 1990s, Croatia embarked on a number of public sector reforms, higher education included. Since then, higher education legislation changed several times, introducing, among others, a new degree structure and a system of quality assurance and accreditation. The main structural reform in Croatia, today spanning more than two decades, aimed to increase horizontal differentiation among higher education institutions (HEIs), which meant the re-introduction and

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strengthening of non-university higher education provision. Importantly, this reform has always been embedded in more general ones. During the 1990s, strengthening the non-university higher education was part of the broader agenda of achieving a balanced regional economic development in the newly independent Croatia, while in the 2000s, it was part of implementing the Bologna Process action lines and the overall process of European Union (EU) accession.

Increasing horizontal differentiation among HEIs in Croatia in practice implied two systemic changes. The first one concerned the establishment of non-university HEIs, in particular outside the cities such as Zagreb, Split and Rijeka – traditionally the seats of the largest universities in the country. The second change was the gradual abolishment of professional programmes at universities. And while the first change has to some extent been made, the abolishment of professional programmes at universities remains on the policy agenda to date, suggesting that the reform goals have been, at best, only partially achieved.

In this chapter, we take a closer look at these developments and offer an account of how and why strengthening horizontal differentiation in Croatian higher education persists as a challenge for policymakers. We start with presenting the conceptual framework we use for analysing policy success and failure. The central part of the chapter consist of analysis (based on primary and secondary sources, as well as interviews with policy actors) on the extent to which reform goals have been achieved, whether this constitutes policy failure and how specific characteristics of the reform, such as the policy content and institutional arrangements, on the one hand, and politics of this reform, on the other, are related to such reform outcome. In the concluding section, the main features of the reform design, implementation, monitoring and evaluation are summarized and implications for policymaking and policy analysis discussed.

ASSESSING AND EXPLAINING POLICY OUTCOMES: A CONCEPTUAL FRAMEWORK

There is a general agreement among policy scholars that policy successes and policy failures are both political and normative and are therefore, at best, ‘contested constructs’ (Bovens and ‘t Hart, 2016). Whether something is labelled a failure or a success is part of a discursive practice deployed by policy-makers and practitioners, rather than related to inherent attributes of policy implementation in question (Bovens and ‘t Hart, 2016; Zittoun, 2015).

As each public policy is normally accompanied both by its advocates and critics, it is these groups who are expected to be primarily engaged in such discursive practices (Bovens and 't Hart, 2016). Moreover, given that each policy is expected to benefit some more than others, different actors and interest groups involved would engage differently in such practices. The verdict, by extension, may be a result of a power game of sorts, rather than of an objective, evidence-informed analysis, provided such is even possible. This, however, does not mean that failures or successes do not exist per se, but that such judgements are both political and normative (Bovens and 't Hart, 2016). The political nature of such judgements means taking into account that they may have consequences both for future developments and for the actors involved. Being normative, on the other hand, means that an assessment of success or failure is often based on implicit criteria that tend to be ideological or that the criteria chosen by specific actors to proclaim success or failure may be subject to debate.

Given these challenges, one approach would be to judge the success of the reform in relation to the goals proclaimed by the creator of the reform which is – in this as in other similar reforms in higher education – the state. Here, one needs to make a distinction between *instrumental goals* – what kind of changes are planned for the higher education system – and *strategic goals* – what wider impact will these changes have on the overall functioning of the system and its relationship with other parts of the public sector. For example, in the case of the Croatian reforms, the instrumental goals were to introduce and strengthen the non-university provision and to abolish professional programmes in universities. The strategic goals included increasing quality and efficiency of higher education, boosting regional development and increasing the educational attainment of the population. Judged in this way, and taking into consideration the current state of affairs, the Croatian two-decade long effort to introduce and expand the non-university sector and to abolish professional programmes at universities seems to be closer to a case of failure than a success (see below for a detailed elaboration).

However, this assessment needs to be unpacked in two ways: (1) What is the nature of the reform outcome, that is, what is it that actually failed? and (2) Why did such an outcome emerge?

Here, and based on our assessment of the case as ‘closer to failure than success’, we follow Peters (2015) who argues that there are different kinds of policy failures, depending on not only their characteristics but also their sources. He therefore distinguishes among four types of failures: state

failure, governance I and II failures and policy failure. State failure refers to state's incapacity of providing basic services, such as public order and the rule of law. This applies to the so-called failed states. A somewhat less dramatic type of failure is governance I failure, which refers to 'the incapacity to provide systematic direction to the society and economy' (Peters, 2015, p. 263). Governance II failures, on the other hand, are those in which governments fail to deliver policies addressing specific policy domains and their issues. Finally, policy failure, according to Peters, is primarily a failure to reach specific policy goals.

Importantly, while policy failure may occur independently of the other three types, it should not be treated in isolation. Contrary to what may be inferred from most of the literature on failures, Peters (2015) argues that the political or socio-economic environment within which policies are being made is more often the reason why a certain policy fails than the policy itself. Taking a closer look at the contextual factors related to the state structure or governance arrangements may lead us to some important insights on conditions under which policies are more or less likely to succeed or fail. This approach is especially valuable in situations in which failure to achieve (fully) the stated policy goals may be due to both problems with the policy itself and with the overall governance arrangements (i.e. governance II failure), which is what we claim was the situation in Croatia. Therefore, in addressing the 'why' of specific reform outcomes, we analyse both the policy itself (its design and implementation) and the systemic conditions in relation to institutional arrangements and actor constellations and interests which may have impeded its implementation.

We argue that the conditions under which policies are developed and implemented are particularly important. In the case of Croatia, this pertained to the outcomes being preceded by a 'bumpy' implementation road. The importance of context in analysing and explaining policy outcomes has also been stressed by May (2015). He argues that the governing arrangements for addressing policy problems are undergirded by the interplay among (1) *ideas* (policy content), (2) *institutional arrangements* (structures of authority, attention, information and organizational relationships) and (3) *interests* (constituencies that provide interest support and opposition). In addition to policy content, institutional arrangements and interests, May (2015) also stresses the importance of the temporal dimension inherent to any policy process. As Majone and Wildavsky

(1984) claim, policies constantly evolve, much like the context in which they are embedded together with its defining aspects, such as governance arrangements, actors and their interests, and resource dependencies. We use this approach to elaborate our analytical framework and take each of the three elements in turn.

Ideas and Policy Content. With respect to ideas, we see them as the very essence of policies, also referred to as the policy content (Gornitzka, 1999). Policy content can be seen to comprise a statement of policy problems and objectives identified, linkages of the policy under analysis with other policies that are relevant in the field and policy instruments (Gornitzka, 1999).¹ Concerning policy problems and objectives, some policies may be rather ambiguous in one or both of these aspects. Moreover, even in cases in which both problems and objectives are stated rather explicitly, the proposed solutions may not be adequate to address the stated problems. This is in particular the case in situations of significant ambiguity and complexity, when it is not possible to identify and assess the different policy options (as suggested by Kingdon (2003) in relation to the so-called Multiple Streams Framework for policy analysis).

Policy linkages refer to the extent a reform is compatible with other policies relevant for the sector. These include horizontal linkages, that is, policies concerning related policy issues or related policy sectors (e.g. secondary education or research), vertical linkages with policies promulgated by other governance levels (local authorities, federal governments, etc.), as well as historical linkages, that is, the extent to which the specific reform reflects institutionalized policy legacies. Given that change in higher education is slow and incremental (Musselin, 2005), strong policy linkages are linked to less problems in implementation. In the Croatian context, given that other governance levels do not have significant competences with regard to higher education policy, horizontal and historical policy linkages are particularly important.

Concerning policy instruments and their potential impact on the ‘why’ of policy outcomes, it is necessary to first explore whether the developed policy instruments correspond to the proclaimed policy goals and whether different instruments are compatible with each other (e.g. are changes in regulation supported or undermined by the funding mechanism). Moreover, it is important to assess whether the developed policy instruments reflect the specific institutional arrangements and the interests of specific actors. In situations in which this is not the case – e.g. policy instruments developed implying that some of the main actors in the policy

arena would effectively lose if the reform is fully implemented – it is likely that the implementation will not be without problems and that the reform goals may not be achieved.

Institutional arrangements concern the organization of the policy process in general and overarching governance characteristics. Analyses of institutional arrangements focus on the relationship between the state, the organizations in the sector (in this case HEIs) and the relevant stakeholders (e.g. students, trade unions, employers). Thus, a distinction can be made with regard to the extent to which different stakeholders take part in design, implementation and evaluation of the policy process.

The state steering approach is an important element of the broader institutional arrangements (Gornitzka and Maassen, 2000; Olsen, 1988). There are cases in which the state is dominant and in which consultation with the actors is quite limited, leading to policies that predominantly reflect state interests and in which the state has significant control over the implementation and evaluation process (what Gornitzka and Maassen refer to as sovereign state model). There are also cases in which stakeholders play a significant role (corporate-pluralist steering), requiring bargaining and negotiation between stakeholders with diverse interests, potentially leading to ambiguous policy goals and incompatible policy instruments, which in turn means a less-than-smooth implementation process and contestation over the success of the reform (Gornitzka and Maassen, 2000). The state can also grant significant autonomy to the institutions expecting them to compete in the market for students, staff, funding, etc. (supermarket steering model), leading to light-touch regulation and competitive funding mechanisms with very limited (if at all) public funding. Control over the implementation in this case is left in the hands of the institutions, and the success of the reform is then linked to the success of institutions surviving in the market. Finally, the bulk of the control can also be in the hands of the academic profession (institutional steering model), meaning that change happens ‘through historical process and evolution rather than as a result of the reform’ (Gornitzka and Maassen, 2000, p. 271).

Steering in a particular higher education system is likely to be a mixture of the four steering models presented above, with historical legacies determining which approach is more dominant than others (Gornitzka and Maassen, 2000). These historical legacies also concern the reliance on specific policy instruments and the use of information. In some systems, reforms may predominantly rely on regulation, while others may focus on funding

incentives. In some systems, there may be a long tradition of using information about higher education systems performance to inform future policy decisions, thus leading to a more rationalist approach to decision-making (see “Structural Reform in European Higher Education: An Introduction”). In other cases, information may be used opportunistically by different actors in the arena to justify their specific preferences or it may not be used at all, in both cases implying that the main determinants of specific policy decisions are pre-existing policy preferences of (most dominant) actors in the arena and not necessarily the characteristics and performance of the system as such.

Actors and Their Interests. Actors and their interests are what we refer to when we speak of politics of the policy process. While actors may vary with regard to their power and authority, as well as their role in policy implementation, Peters (2015) suggests that when we speak of failures to implement certain policy, we need to take into account that actors can also act as veto players and that a governance system may have multiple veto points. Referring to George Tsebelis, he suggests that ‘everything else being equal, a governance system is more likely to fail the greater the number of independent veto points and veto players there are in that system’ (Peters, 2015, p. 268). Stalemate or incapacity to make important decisions is, he argues, typical of governance failures due to veto players.

However, Tsebelis (2002) focuses primarily on actors who are veto players due to their formal position in the policy arena and policymaking process – for example, those who have a formal and explicit power to veto a decision (e.g. a president can veto a law). However, given that this neglects the informal aspects of governance and the fact that policy actors can wield power even when not formally in the position to do so (Sørensen and Torfing, 2003), we focus also on actors who may be effectively veto players due to their influence over actors who are formally veto players. For example, if a buffer structure is formally a veto player but at the same time dominated by representatives of a profession, then effectively the said profession is a veto player as well. In other words, we go beyond the formal descriptions of actors and do not assume that all actors are independent from each other.

In sum, our analysis of the Croatian structural reform will focus on the following:

1. What is the policy outcome, that is, can it be assessed as failure and, if so, what kind of failure?

2. Why did this policy outcome happen, that is, what is the relationship between the policy content, institutional arrangements and actors' interests on the one hand, and the specific policy outcome on the other?

The following section will first provide a brief chronology of the structural reform in Croatia and will then address the 'what' and the 'why' questions.

UNPACKING POLICY PROCESS: THE 'WHAT' AND 'WHY' OF CROATIAN PARTIAL HORIZONTAL DIFFERENTIATION

The Chronology of the Reform

Until the early 1990s, Croatia was part of the Socialist Federal Republic of Yugoslavia (SFRY). The most important legacy from this time concerns the sweeping reform of the entire education system initiated in the 1970s, streamlining the secondary and higher education systems strongly to the needs of the labour market (Bacevic, 2014). One consequence of this was that although predecessors of non-university HEIs existed in Croatia since WWII, they were (1) not considered part of the higher education system, but rather as post-secondary education and (2) almost completely dissolved in the late 1980s, either by being amalgamated into universities (or rather their constituent faculties) or by disappearing altogether (Reichard, 1992). The other consequence was that the period immediately before the 1990s was marked by the growing dissatisfaction with effects of this reform; therefore, the main aim with the first higher education legislation in independent Croatia, adopted in 1993, was to 'do away' with this 'legacy'. This law introduced the distinction between (1) universities and (2) non-university HEIs, as well as the distinction between (1) academic studies and (2) professional studies. Universities could provide both types of studies, while non-university institutions could provide only professional studies. The legislation also stipulated that the professional studies at universities should be abolished by the 1999/2000 academic year.

In 1995, the Croatian Parliament changed the legislation and prolonged the deadline for abolishment of professional programmes in universities to 2002/2003. Further attempts to abolish professional studies at universities were prevented by the 2000 Decision of the Croatian Constitutional Court

(hereinafter: Court). Namely, upon an official complaint made by some of the universities that several provisions of the law were essentially violating the principle of autonomy guaranteed by the Croatian constitution, the Court decided that limiting universities to organizing only certain types of studies was unconstitutional, effectively eliminating the articles which required that universities abolish professional programmes.

When Croatia joined the Bologna Process in 2001, the new legislation, supporting a root-and-branch reform of the whole system, was adopted in 2003. Strengthening the horizontal differentiation was also on the agenda, with a clear instrumental goal to remove vocational content from university studies, in order to allow universities to focus more on research and to ensure that the non-university sector could develop. The legislation clearly stated that universities were expected to provide academic study programmes (three cycles) and non-university institutions vocational ones (two cycles). At that time, possibilities for vertical mobility between the two types were asymmetrical; enrolling into the second professional cycle was possible with either a professional or an academic first-cycle degree, while enrolling into the academic second-cycle programme was possible only if the first degree was also from an academic study programme. The law stipulated that universities could organize professional study programmes only if they obtained a permit of the National Council for Higher Education (NCHE) and that they are allowed to enrol students into such programmes only until 2010/2011. This plan to abolish professional studies in universities was once again disrupted by the Court, which in 2006, upon another complaint from the universities, ruled that such legislative provisions were unconstitutional (citing also the decision from 2000 as legitimation).

In 2009, a special law dealing only with quality assurance in higher education research was adopted. The key provision concerned the freedom of universities to develop their own study programmes and not be subjected to programme accreditation, as stipulated by the 2003 legislation, while non-university institutions were expected to undergo re-accreditation of their study programmes every 5 years.

Meanwhile, the government's intention to achieve a clear binary divide and abolish the practice of universities organizing professional studies continued to be present in overarching strategic documents, linking this structural reform with the overall reform of higher education and relating its instrumental goals with strategic goals of developing Croatia as a knowledge-based society, improving the overall educational attainment

of the working population, increasing efficiency and equity of higher education and ensuring a more balanced regional development.

In an attempt to improve quality and accessibility of higher education, as well as to ensure relevance of study programmes for both local and national strategic needs, the Parliament adopted the document ‘Network of higher education institutions and study programmes in Croatia’ in 2011. The document was to guide decisions on programme accreditation and, by extension, on spending of public funding for higher education, given that student numbers in each accredited programme in a public institution were automatically taken into account in input-based funding allocations. When deciding whether universities should be given special permission for professional study programmes, the NCHE was to base its decisions on 15 elaborate criteria concerning, for example, existing offer of study programmes and specific regional needs.

Finally, in 2013, the Parliament adopted the legislation on the Croatian Qualifications Framework, clarifying its linkages with European Qualifications Framework and qualification framework for the European Higher Education Area. The legislation put academic and professional degrees from the same cycle on an equal level (e.g. both professional and academic second-cycle degrees correspond to EQF level 7), but the asymmetry with regard to mobility between university and non-university programmes was maintained; transfer from the former to the latter was possible, but not the other way around.

The ‘What’ of Policy Outcome: Have the Reform Goals Been Achieved?

The fact that there were almost no non-university HEIs in the 1990s and now there are 38 may be interpreted as achievement of at least one operational goal of the reform – the introduction of the non-university sector. Most of the currently operating non-university institutions were established in the second half of the 2000s, with the number doubling between 2005 and 2011. The number of students in professional programmes organized by universities has decreased in recent years. According to the Croatian Bureau of Statistics (CBS), the number of students in professional programmes at universities decreased from approximately 22,000 in 2004/2005 to just over 17,000 in 2013/2014. However, they still constitute only one-third of all students in professional programmes, suggesting that the operational goal to phase out professional programmes in universities – by allowing them only as an

exception given special permission by NCHE – has yet to be achieved. Effectively, this means that operational goals have only been partially achieved.

Concerning the strategic goals, while the bulk of the higher education provision is still concentrated in the capital city, each administrative region now has at least one institution, which was not the case in the early 2000s. Keeping in mind that the non-university sector actually caters to students of lower socio-economic background (Cvitan et al. 2011), one would expect that expanded provision outside of the capital region could potentially improve access overall. However, the expansion of provision is in some cases rather narrow, including only one institution with a limited offer of study programmes (in one to two areas), primarily in social sciences (economics) and nursing. Moreover, the tuition fees in non-university institutions, particularly private institutions, are higher than in universities (Cvitan et al., 2011; Doolan et al. 2011), which means that under the current funding arrangements, non-university programmes may actually be less accessible to students from lower socio-economic backgrounds. Similarly, although the educational attainment of the population seems to have improved – from 12 % of the population with a higher education degree in 2001 to now about a quarter of the population with at least first-cycle degree – it is difficult to make a clear causal link with the structural reforms, given that the effects of demographic changes have not been systematically studied and that it is not clear how the introduction of the ‘Bologna’ 3 + 2 degree structure affected the education attainment.

In sum, although there has been a clear increase in the number of non-university institutions and the professional study programmes they offer, in particular from 2005 onwards, continuous resistance to clarifying horizontal differentiation by allowing only non-university institutions to provide professional study programmes and an unclear situation with regards to strategic goal implies that the structural reform in Croatia has been overall partially successful at best.

The ‘Why’ of the Policy Outcome

Policy Content

For the better part of the 1990s, the proposed solution, that is, the instrumental goal of the reform to establish and strengthen the non-university sector in Croatia was not explicitly linked to specific policy

problems, that is, the reform's strategic goals. This is to some extent caused by the fact that the structural reform was never a 'stand-alone' reform but always a smaller element in much larger reform projects that concerned the main part of the higher education system – the universities. This embeddedness of the structural reform in the larger reform project may, at first glance, indicate that the horizontal linkages between the reform and other policies related to higher education were particularly strong. However, an analysis of policy documents, in particular from the mid-2000s onwards, suggests that the structural reform was actually of secondary importance compared to the reform of universities. The ideas about and challenges for the non-university higher education were discussed to a much lesser extent, while the reform of universities, including their governance and degree structure of the programmes they offered took the lion share of attention. Moreover, the structural changes that the reforms were envisaging did not have strong historical linkages with the previous higher education policy. The reform was envisaging the establishment of a whole new sector and, perhaps most importantly, the institutionalized practice that the universities also provide professional programmes was supposed to be abolished, indicating that the expected change was far from incremental.

Overall, insufficient attention was given to the development of policy instruments, given that (1) the bulk of the reform relied only on changes in legislation and (2) most of these changes actually concerned the overarching reform process and the functioning of the universities and less so the functioning of the non-university sector. The fact that the funding mechanisms were not changed meant that there was incompatibility between policy instruments. The number of students enrolled remained the key criterion for public funding which meant that professional programmes were actually an important source of income for the universities, thus undermining the regulation which foresaw that these programmes should be abolished. Therefore, it may not be at all surprising that the legislation was effectively redesigned during implementation, by the Parliament as well as by the Constitutional Court. This iterative characteristic of the policy process in which design and implementation overlap implies that it is necessary to consider the whole of the policy process and not assume that specific stages are clear-cut and isolated processes. Moreover, the back and forth of the reform is also a consequence of institutional arrangements and politics of the Croatian structural reform.

Institutional Arrangements

Currently (and throughout the reform period), the steering model in place in Croatia can be categorized as predominantly institutional, with elements of the market model introduced over the past two decades.² This means that the bulk of the control in the sector is effectively in the hands of the academic profession and, by extension, the specific organizational actors that the academic profession dominates. These are first and foremost the universities and also the NCHE, given that the majority of its members are nominated by the universities.

Having such a steering approach has a number of implications. First, it means that the policies reflect the interest of the academic profession. The first aspect refers to the structural reform process being a minor part of the larger reform that dealt with universities. Not only was this visible in the fact that less attention was given to the structural reforms in the strategic documents but also in how regulation was developed. The key legislative provisions related to abolishing professional study programmes in universities were part of the so-called concluding and transitional provisions in the legislation which are usually not subject to significant consultations prior to parliamentary adoption, but may be amended afterwards in case it becomes evident that their implementation will go against the interests of specific actors. This is precisely what took place in Croatia – these provisions were once amended by the Parliament (in the 1990s) and twice proclaimed unconstitutional by the Court (in the 2000s).

The dominance of the academic profession in the Croatian policy arena, as well as the historical legacies from the former Yugoslavia, together led to the situation in which policy development primarily relied on legislation and other forms of regulation, while not considering significant changes of the funding instruments, despite the fact that actors consider funding as the more important policy instrument (according to the interviews).

The information basis of the reform, both in the design phase and in the monitoring and evaluation, has not been particularly strong. Actually, the information basis in the 1990s has been particularly weak, given that the analytical capacity of the NCHE and the ministry was rather limited (Orosz, 2008). The establishment of the Agency for Science and Higher Education (ASHE) in the early 2000s, the increasing prominence of policy analysts within HEIs or within independent think tanks (Zgaga, 2013) and the existence of many externally (EU) funded projects focusing on analysis of higher education was expected to improve the situation. However, data collected through research projects, often funded by the

EU, are used primarily for the identification of policy problems (if at all), and not explicitly as policy evaluation tools.³ Moreover, sometimes there are inconsistencies with regards to information. For example, data on student numbers reported by ASHE (citing the Ministry of Science, Education and Sports as the source) and data on student numbers reported by the CBS do not match. Namely, the total number of students (including postgraduate students) reported by the two sources for the 2013/2014 academic year differs by more than 12,000: 166,061 (CBS) compared to 178,676 (ASHE).

Finally, policy evaluation is, generally speaking, not a systematically organized activity in Croatia. Overall, the collective actors – NCHE, Rectors' Conference, Council of Polytechnics and Schools of Professional Higher Education and ASHE do publish their annual reports, but these do not have a clear role in the policy design process. In addition, although ASHE does develop thematic reports on external evaluations of institutions and study programmes, there does not seem to be an institutionalized way of using these reports. The data collected by ASHE are used to indicate the persistence of problems which earlier reforms were expected to address – very high (and continuously increasing) number of study programmes and the provision of professional programmes by universities.

The Politics of the Process

Overall, given the dominance of the academic profession, the possibilities for weaker actors to take part and influence the process are rather limited. This brings forward the question of which actors actually take part and what interests they protect.

Although introducing the binary divide in Croatian higher education was never high on the state's higher education agenda, the state was continuously involved in the implementation process through its branches. The most active branch was certainly the *executive* one – the ministry responsible for higher education and ASHE. These two bodies have always been the main ones to oversee the implementation of the policy. Taking into account that the policy itself implied changes in legislation, the state's *legislative branch* – the Parliament – was also involved, although not continuously. Finally, the state also acted through its *judicial branch*, namely, the Court, at two instances (in 2000 and 2006).

Given that the introduction of the binary divide would have affected universities and former post-secondary schools differently, these two types

of HEIs positioned themselves differently with regards to this policy. They acted both as individual organizations and through their respective councils, the Rectors' Conference in the case of universities and the Council of Polytechnics and Professional Schools of Higher Education. In addition to these two bodies, the two types of HEIs are also represented in the NCHE, albeit this body has more university representatives than those representing non-university institutions.

Described this way, who the main actors are seems to be rather straightforward: the state, universities and non-university institutions. However, the reality is somewhat more complex, given that universities, even without a formal role in the legislative, executive or judicial governing branches, wield significant power over these structures and, therefore, over the policy process. We could, then, conceive of, for example, the Parliament and the Court as penetrated structures (Bleiklie et al. 2015) whose individual members are either themselves members of the academic community (i.e. university professors more often than non-university academic staff) or under the direct influence of academics. For instance, the Court judges are often either closely linked to the Faculty of Law of the University of Zagreb or academic staff members at some of the law faculties in the country, while the University of Zagreb itself, being the flagship university and the alma mater of the majority of Croatia's political elite, is certainly the most influential HEI in the country. Another example is the work of the NCHE. According to the interviewed experts, even though NCHE is expected to allow universities to have professional programmes only under extraordinary circumstances (in line with the 'Network of higher education institutions and study programmes in Croatia'), in practice all applications for such programmes coming from universities are accepted.

Finally, apart from these permanent structures, there are also temporary ones which are convened for specific purposes, such as the development of initial legislative proposals and strategic documents. University professors are particularly active in this phase, given that universities are considered both a major stakeholder and an authority on various issues. One example of this is the most recent Strategy for Education, Science and Technology adopted by the Parliament in 2014. The development of the strategy was steered by the academic community, and the vast majority of individuals involved were university professors; no one from non-university HEIs was involved in the team focusing on higher education reforms in general, while the sub-team focusing on the binary characteristics of the higher education system consisted of three university and two non-university professors.

In addition to being active in the design phase of the policy process, universities are also active in the implementation phase. They do this by pushing for legislative amendments in the Croatian Parliament or, as already suggested, by submitting complaints to the Constitutional Court concerning specific legislative provisions.

On the other hand, non-university HEIs are overall weaker as actors, although their influence over the policy process and their relative power has increased over time. Their position is certainly affected by their characteristics, relative to universities. They are comparably smaller, younger (most of them established in the second half of the 2000s) and less comprehensive. They are also more heterogeneous, which may mean that they have more diverse interests. If this is indeed the case, this would be another factor impeding stronger cohesion among them and reducing their capacity to act as one. At the same time, they are, as elsewhere, often considered to be of lower quality and tend to enjoy lower status (especially given that almost all private institutions are non-university institutions). All these factors affect their relative authority on higher education policy matters and, consequently, their legitimacy as a policy actor.

With regards to the actors' respective interests, one thing that is clear is that throughout the period universities sought to maintain the advantageous position they enjoyed, for which purpose they used their influence across different structures and at all stages of the policy process. In specific, they were reluctant to give up their right to provide professional study programmes, given that this was seen as reducing state funding. They were also keen to protect the relative standing of their own study programmes, in terms of access to further education, which they saw as being threatened by competition from the polytechnics and professional schools. Non-university HEIs, on the other hand, were and still are, relatively weaker to push for a better position in the system.

At the same time, the ability of the state to secure a more successful policy implementation was hampered by at least three factors. First, this particular policy has never been high enough on its agenda to challenge the position of universities. Second, as already indicated, some of its structures have been penetrated and therefore under direct influence of universities, which would have probably diluted the influence of the state even if the policy had been on top of its agenda. Finally, as suggested earlier, the authority of the state in academic matters is lower when compared to that of universities. Thus, given that a functioning binary

system does not enjoy legitimacy in the eyes of universities, it is hardly surprising that universities seek to obstruct its implementation by all legitimate means at their disposal.

When placed next to other actors, universities are, effectively, a veto player and a very powerful one. Presence of veto players is, as earlier suggested, yet another predictor of a policy failure, although as such it represents a failure of the governance structure, rather than the policy itself.

CONCLUSION

This chapter described and analysed the developments related to the non-university sector in Croatia since the mid-1990s. These developments included the establishment of a number of non-university HEIs which provide professional programmes and attempts to gradually abolish provision of such programmes in universities with an aim to strengthen the non-university sector further. In strategic terms, these reforms aimed at increasing the quality, efficiency and accessibility of higher education, as well as ensuring the contribution of higher education to the regionally balanced development of Croatia as a knowledge society. The reform comprised regulatory policy instruments (system level legislation and procedures and criteria for accreditation), with no reliance on arguably more effective policy instruments related to the allocation of resources (funding). The reform has achieved only a small portion of its goals, establishing some non-university institutions and somewhat decreasing the number of students enrolled in professional programmes at universities. However, the reform failed to align the distinction between types of institutions and types of programmes, and the binary divide thus remains blurred.

Even though discussions on policy successes and failures are necessarily normative and political, this does not mean that the conclusions reached are to be dismissed on either of those grounds. However, whether Croatia has failed or succeeded in its efforts to establish a functional binary higher education system is not as central to our discussion here, as it is to demonstrate that a policy outcome, failure or not, is always a result of a number of factors which evolve and interact.

This structural reform has continuously been embedded in more general reform efforts. This, however, may have been a double-edged

sword: on the one hand, it provided impetus for the structural reform; on the other hand, in these wider reform efforts, the structural reform was actually not the most politically salient one. The main focus was on the reform of the major part of the higher education sector – the universities. This made the structural reform less prominent, affecting both its design and its implementation. The situation in which the aims of the structural reforms are continuously reiterated and the most powerful actor in the system continuously manages to ‘dilute’ these aims and keep its privileged position points to the necessity of bringing this most powerful actor more fully on board with the reform ideas. Since professional programmes are also a source of revenue for universities, the policymakers may need to consider offering alternative financial incentives as ‘part of the deal’. Thus, in contexts characterized by high professional autonomy that allows for discretion in interpretation and enforcement of rules, such as higher education (for a more general argument see Thelen and Mahoney, 2010), reliance on one type of policy instruments – regulation – may not bring about the desired policy outcomes.

As we have argued in this chapter, for any effort that aims to create change in a policy domain or for policy analysis for that matter, higher education included, one needs to approach it contextually. In other words, doing justice to a public policy assessment means taking into account, on one hand, governance arrangements, as well as the way state apparatus operates. On the other hand, it also means appreciating that the policy, together with its context, is always evolving. Ideas change or gain new dimensions while phases of the process overlap, rendering our efforts to tell policy design from policy implementation difficult, or perhaps even meaningless. Actors vary in their authority and capacity to act, sometimes resulting in a striking power asymmetry. In our case, this proved crucial for the process and the outcome. Powerful actors penetrate structures and even ‘hijack’ them for their goals when needed. Institutions may be more resilient, but these are not static. Formal rules, such as laws, seemed to be easier to change than non-formal ones. The authority of the state, together with its legislative, executive and judicial branches, in a policy domain that is *de facto* public, can also be challenged, and even successfully so, by other actors, such as the academic profession and its organizations.

As a result of this ‘messiness’, the policy process is, as Lindblom suggested more than half a century ago, more of a ‘muddling through’ (1959) than a rational and straightforward one. Therefore, we argue,

policy analysis can only benefit from this appreciation. Assuming such approach in this chapter has, we contend, enabled us to offer a more comprehensive understanding of why Croatia has spent more than two decades struggling to strengthen the horizontal differentiation in its higher education. Focusing solely on policy itself would, arguably, have been a less fruitful exercise.

NOTES

1. Gornitzka also states the ‘normative basis’, that is, the underlying ideology, as an element of policy content. However, due to the fact that the analysed policy documents do not include explicit references to ideological principles, this aspect of the policy content of the Croatian structural reform will not be analysed in this chapter.
2. Prior to dissolution of Yugoslavia (1992), it was predominantly the state control model.
3. An example of this is a large-scale project “Towards equitable and transparent access to higher education in Croatia” (ACCESS), funded through the TEMPUS (Trans-European Mobility Scheme for University Studies) programme. The project focused on funding of higher education and socio-economic characteristics of the student population (the latter effectively being the national report for Croatia within the EUROSTUDENT project). Results of the project (Cvitan et al., 2011; Doolan et al., 2011) do highlight problems of reproduction of social inequality in higher education – students of lower socio-economic background are under-represented in universities and under-represented in higher education in general – but they provide a snapshot of the situation and not a longitudinal analysis potentially useful for evaluating the effects of reforms.

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Strengthening Research at the Dutch 'Hogescholen': From Ideas to Institutionalization

Harry de Boer

INTRODUCTION: THE ROLE OF IDEAS IN POLICY PROCESSES

In this chapter, we analyse the idea to strengthen the research function of 'hogescholen' in the Netherlands. In the 1980s and 1990s, the 'hogescholen' sector had undergone major reforms and significant growth, both seriously challenging this relatively young sector. It was not until 1986 that hogescholen were legally acknowledged as a higher education subsector. The 1986 Act HBO (Higher Vocational Education) allowed 'hogescholen' to conduct research for education purposes, but in practice, they were almost exclusively teaching institutions, among other things because research was not properly defined and there was no research budget for hogescholen research (De Weert and Leijnse, 2010). The idea of establishing hogescholen that can, and should, better use their research potential in a knowledge society however was obtaining more attention. This would

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fit the ongoing process of hogescholen to become a full-fledged part of Dutch higher education. In this chapter, we will trace the journey of this idea in different policy process stages, from its origin to its materialization.

In the last two decades, research on the role of ideas in understanding processes of continuity and change in politics and public policy has been renewed (Campbell, 2002; Carstensen, 2010; Béland and Cox, 2011; Goldstein and Keohane, 1993; Lieberman, 2002; Niemelä and Saarinen, 2012). In policy analysis, Campbell (2002) argues, ‘what actors believe may be just as important as what they want’. The claim of ideational approaches is that change is the result of choices actors make and these choices are shaped by the ideas actors hold and debate with others (Béland and Cox, 2011). Therefore, ideational approaches to policy analysis are agency centered.

Although there are several definitions around, we define ideas as causal beliefs that influence actor attitudes and action (Goldstein and Keohane, 1993; Béland and Cox, 2011). They are mental constructs, cognitive belief maps about phenomena and interpretations of the world around us. Ideas provide guides for policy action and for actors on how to achieve their objectives. ‘Ideas help us to think about ways to address problems and challenges that we face and therefore are the cause of our actions’ (Béland and Cox, 2011, p. 4). In turn, policy action and feedback may lead to new or adapted ideas. Ideas shape policies and policies shape ideas.

Ideas can affect policy processes and outcomes in different ways. They can provide a path for reform, serving as road maps for change (Goldstein and Keohane, 1993). Ideas push policy making in directions by giving policymakers reasons to adopt a specific course of action (Campbell, 1998). They can shape the content of reform proposals, and as frames, they can construct the ‘need to reform’ (Béland, 2009). Ideas can also bring actors together to challenge existing institutional arrangements and trying to achieve better outcomes. And ideas, once adopted and embedded, can constrain policies (Goldstein and Keohane, 1993). Ideas can limit policy choice by framing the mindset of policymakers, illuminating certain options while obscuring others.

Obviously, new ideas do not operate in a vacuum. First, new ideas need to be communicated with others. As the result of such interactions, the initial idea may get a new meaning. The proponent of a new idea usually needs to overcome scepticism, has to persuade others of the importance of the idea and has to build winning coalitions to successful agenda setting. Policy entrepreneurs may play a crucial role in promoting ideas (Kingdon, 1984; Béland and Cox, 2016).

Second, existing institutions – the formal and informal rules and procedures – affect which ideas successfully access the policymaking arena and the following stages of the policy process. Moreover, the acceptance of ideas is context dependent. Context and normative frames must be supportive to their broad acceptance (Campbell, 2004; Béland and Cox, 2016). Both context and institutions set boundaries for the introduction of new ideas (see e.g. Ostrom’s Institutional Analysis and Development framework (IAD) framework on the interplay between context, institutions, interaction of actors and outcomes).

Not every idea will be successful. Some ideas die or evaporate, before or even after they reach the policy arena. Success depends, among other things, on whether policy entrepreneurs and policymakers can transport them through institutional channels into influential policymaking arenas (Campbell, 1998).

We intend not so much to argue that ideas do matter, but how they matter and become institutionalized. After presenting the context, the Dutch ‘hogescholen’ sector, we trace the origins of the idea to strengthen the research mission of ‘hogescholen’ and describe its journey from there. Information and data are obtained from desk research and a number of expert interviews.

‘HOGESCHOLEN’ IN THE NETHERLANDS

The Dutch higher education system has a binary structure. It comprises 14 universities (including the Open University) and 37 hogescholen (these days also referred to as universities of applied science).¹ The two higher education subsectors have different mandates, different histories and traditions and are different in size. The main task of hogescholen is to offer theoretical and practical training with an explicit professional orientation. Since 2001, transferring and developing knowledge has been a second important task. Their primary focus has traditionally been on regional and local needs, although nowadays several hogescholen also operate nationally and internationally. As a subsector, it hosts institutions that vary in size and orientation, from small mono-disciplinary institutions to large multi-disciplinary ones. Over the last 15 years, hogescholen enrolled about 60–65 % of the students.

The hogescholen have a long-standing tradition, but as a sector, it dates back to the 1960s when institutions for higher professional training were upgraded, even though they were legally part of the secondary education

sector until 1986 (Van Bommel, 2014; De Weert and Leijnse, 2010). In the 1980s and 1990s, the Dutch ‘hogescholen’ sector further developed towards a more full-fledged part of Dutch higher education.

The recent history of hogescholen is firstly characterized by a steep growth in student numbers: from about 211,000 in 1985, 271,000 in 1995, 357,000 in 2005 to 440,000 in 2013 (*Centraal Bureau voor de Statistiek* (CBS) Statline). Second, one of the most fundamental reforms since 1983 concerned the mergers of hogescholen, resulting in a significant decline in the number of hogescholen: from 375 in 1983 to 37 today.² Many small mono-disciplinary hogescholen have been transformed into large multi-disciplinary institutions. Nowadays, there are 10 hogescholen that have more than 20,000 students. Third, after being micro-managed by the state for a long time, step by step the autonomy of hogescholen has increased. The position and recognition of hogescholen as a key part of Dutch higher education materialized in the Act Higher Education and Scientific Research (Dutch acronym WHW) of 1993 – one national Act regulating both universities and hogescholen.

ORIGINS OF THE IDEA

In 1999, in his keynote address at the Hogeschool Haarlem, the Inspector General for Education, Ferdinand Mertens, argued for the introduction of a new type of teacher at hogescholen (Mertens, 2001). In the merging knowledge society, the teacher as a ‘routine professional’ would become obsolete. If, he argued, hogescholen were to realize their ambitions, a new type of teacher, an equivalent to the university professor, should be appointed. There was a growing need for ‘innovation-driven’ professionals, continuously driven by curiosity and acquiring new knowledge, and having a critical and reflective attitude.

At the same time, both in national and international policy arenas, the role of knowledge providers in the knowledge society was discussed, including that of ‘hogescholen’ and their counterparts in other countries. At the national level, for example, the committee Kuipers, commissioned by the Association and the employer’s organization VNO-NCW, observed in their report, published in 1999, that hogescholen and industry insufficiently utilized each other’s expertise (Commissie Kuipers, 1999). They suggested that hogescholen should become ‘knowledge gateways’, a knowledge hub for industry, hogescholen, students and teachers. At the same time, the national Advisory Council for Science and Technology (AWT), in cooperation with the

Educational Council of the Netherlands (*Onderwijsraad*), suggested to transform hogescholen into regional knowledge centres (AWT, 1999, 2001). Knowledge circulation should be improved by more systematically developed networks of hogescholen and industry and in education by adapting curricula to the latest developments in the professions. Graduates should have a different set of skills, being more reflective, critical and analytical thinkers. As the ministry concluded in retrospect, 'to implement their core task well, providing high-quality vocational education, hogescholen cannot limit their activities to focus on the process of knowledge dissemination only. With respect to the quality of teaching, hogescholen must be engaged in knowledge development and knowledge exchange. This would also contribute to the innovation power of industry' (MOCW, 2010, p. 10).

Similar opinions were expressed at the European level. Policy views on higher education, articulated in the Lisbon strategy and Bologna process (and in later Communiqués) stressed the importance of, among others, hogescholen in strengthening society's knowledge base. To meet the growing demand for knowledge and innovation, the optimal use of knowledge providers required serious attention. The Lisbon strategy, stressing the pivotal role of knowledge providers such as hogescholen for innovation and economic development, emphasized the importance of knowledge triangles and regional development. In 2000, for example, the Association's Bachelor Master (BaMa) Committee argued that the introduction of the 'Bologna structure' would offer an opportunity for change, for instance, establishing hogescholen as 'knowledge hubs' (*kennisknooppunten*).

Also in 2000, the Dutch minister of education echoed the opinions of the national and international bodies and committees and endorsed in his national strategic plan for higher education the importance of (1) a stronger embedding of hogescholen in (regional) knowledge networks, (2) research at hogescholen for improving the quality of education, (3) producing graduates with modern skills and (4) staff at hogescholen provided with the knowledge of the latest developments in their vocational fields. The minister was of the opinion that in principle the hogescholen, together with their partners, should address these issues themselves – the hogeschool autonomy should be respected.

The Netherlands Association of Universities of Applied Sciences,³ the representative organization of the hogescholen naturally participating in this 'discourse', discussed these observations, views and suggestions. They decided to further push the idea and became the policy entrepreneur of it. They framed the discussion about the current and future position of the

hogescholen. In the report ‘Hogescholen ten years forward’, the chairman of the Association observed a changing relationship between higher education and its environment. There is, he said, a growing demand for knowledge. The emerging knowledge economy demands more highly trained people. And, he continued, processes of knowledge creation, application and dissemination are changing. Boundaries between knowledge providers, disseminators and users are increasingly blurring. This could not be without consequences for ‘hogescholen’.

‘Knowledge outdates so fast that a (higher) education system existing of institutions only passing on knowledge to students acquired elsewhere, is no longer sustainable: the quality of such passive knowledge dissemination, in terms of topicality and applicability, simply decreases. To safeguard the quality of education, institutions must increasingly engage in knowledge acquiring through research and application. They will be forced to penetrate other parts of the knowledge circle. This broadening of the function of education in institutions goes hand in hand with a fundamental change in their traditional knowledge dissemination function. (...) It seems for “hogescholen” inevitable to break through their limited passive knowledge dissemination function’ (Leijnse, 2000, pp. 21–23).

Maintaining or improving quality of education calls for a mission stretch, ‘hogescholen’ should increasingly be engaged in applied research and move away from being teaching institutions only. Hogescholen should, at least to some extent, adhere to the traditional Humboldtian notion of research inspired education.

The chairman, inspired among others by Mertens’ speech, continued by arguing that ‘the composition and competencies of then existing teaching staff of “hogescholen” was far from ideal’ (Leijnse, 2000, p. 34). In the recent past, staff development had not received much attention or had even been virtually neglected. Perceived shortcomings were the unilateral staff profile (teaching only) and the ‘conservative attitude’ towards change. The chairman concluded: ‘for too long the “hogeschool” teacher has been regarded as an elevated upper secondary school teacher who only transfers knowledge acquired elsewhere (...). The function of “hogeschool” teacher needs a thorough revision’ (Leijnse, 2000, p. 37).

At the end of 2000, the idea to strengthen the research function of hogescholen was on the policy agenda. The sector itself (with reservations from some institutions, see below), the policymakers, advisory bodies and employers’ organizations came to believe that the role of hogescholen should change. These actors all expressed in one way or another that

establishing a stronger research orientation at the hogescholen as a second core task would be beneficial to the hogescholen and their students, industry and society at large. A stronger research orientation aimed to improve the quality and relevance of education at hogescholen as well as to develop the potential hogescholen have in knowledge exchange processes. Changes in curricula and in attitude and competences of the teaching staff should produce graduates with twenty-first-century skills and enhance the contribution of hogescholen to the surrounding economy. It would mean however a serious cultural change, as hogescholen hardly had any experience with conducting research.

COALITION BUILDING AND CONSOLIDATING THE IDEA

As a next step, the Association was to build coalitions. The idea to strengthen the research mandate of the hogescholen fitted perfectly with the views of national and international policymakers. Also employers' organizations welcomed the idea (Renique, 2003). The Dutch universities mainly remained silent. They were rather indifferent about this idea. At first instance, many hogescholen were reluctant or even resisting the idea. The critique on their staff was an unwelcome message and stretching the mission could lead to mission overload, especially in times where the sector was already expanding so rapidly and new reforms – Bologna – were to be implemented. And was conducting research not a typical university activity? Should hogescholen not stick to what they are good at? A small number of charismatic chairmen of hogeschool boards however welcomed the idea and agreed with the Association's view that it would further contribute in making the sector a well-recognized and full-fledged part of Dutch higher education. The weight their views carried was important to the Association to further promote the idea.

To attach meaning to the idea to improve educational quality by strengthening the research function, the Association suggested to introduce a new position at hogescholen: the lector and knowledge circles (kenniskringen), referred to as lectorates. In general terms, a lector can be seen as a 'hogeschool professor' (but without the right to supervise doctoral degrees), a broker between the 'hogeschool' and the regional economy, bringing in research expertise and establishing a research attitude among the existing staff. They were described as highly qualified professionals with significant experience in teaching and research and

bearing prestige as an expert in a particular field. These lectors were supposed to play a pivotal role in the establishment of knowledge circles, consisting of the lector and some other staff members. Knowledge circles, coordinated by lectors, should be the vehicle for professionalizing hogeschool staff. To stress its importance, and to avoid the impression that this concerns a cosmetic change only, it was proposed that the position should be significantly better remunerated than existing staff.

The then minister of education – Loek Hermans – was receptive to the idea and acted decisively. He made additional funding available, and within a few months, a 4-year agreement (2001–2004) between the minister and the Association was signed: the ‘Covenant Lectors and Knowledge Circles in the Higher Vocational Education sector 2001’. This agreement stipulates that hogescholen will appoint lectors and establish knowledge circles in order to enhance the knowledge transfer, knowledge dissemination, knowledge circulation and knowledge development in the sector. As their part in the 2001 agreement, the ministry made a fund available for the establishment of lectors and knowledge circles. It concerned *additional* funding, next to the basic operational grant for the hogescholen. In the first 4 years (2001–2004), it was a *temporary* grant. For the first year, this budget was approximately €15m,⁴ increased in the next years to €30.4m per annum.

Thus, by means of this covenant, the idea was further consolidated, but it still needed to be put into action.

FROM IDEA TO ACTION

The key actors in the implementation stage were the hogescholen and an independent foundation, installed by the Association for the allocation of the financial means made available by the ministry. Other actors such as the ministry and the Association were also involved, but ‘from a distance’.

This foundation – the *Stichting Kennisontwikkeling HBO* (SKO)⁵ – was an independent committee, with external members from different backgrounds, assisted by a secretary seconded from the Association’s bureau. It had no representatives from the government and the Association. In short, the SKO had two tasks: distribution of the funding among the hogescholen and the monitoring and evaluation of the lectors and knowledge circles. The SKO met about three to five times a year to assess the proposals submitted by hogescholen and monitored and evaluated progress for which a separate committee was installed (Committee Karssen). The SKO informed the Association yearly.

The SKO distributed the budget for lectorates as follows. Hogescholen were invited to submit proposals. In principle, based on their size, each institution had the right to claim a part of the budget. However, an institution only would obtain the grant for lectorates if their proposal was approved by the SKO. If proposals did not meet the standards of the SKO, they were not funded. Hogescholen that appointed lectorates with the SKO grant had to submit yearly a financial statement, to be approved by the SKO. The SKO used five indicators in its assessment: (1) impact on existing curricula, professionalization of staff or change in the programme structure, (2) relationship with international networks, (3) relationships with industry, (4) demonstrable effort to increase knowledge exchange and (5) substantial increase in third-party income.

In the first years, several hogescholen were reluctant to establish lectorates. In these early years, not every hogeschool used their potential budget to apply for lectorates. They were uncertain about what exactly lectorates were supposed to be, how they would fit in the organization and what their added value might be. How to respect the lector's research autonomy and simultaneously urge them to actively participate in management and teaching matters and establishing knowledge circles? Moreover, the funding was temporary and what would happen if the funding was to be discontinued? And many of the existing staff were suspicious of the new positions, lectors being seen as well-paid outsiders that might complicate their jobs. For hogescholen that successfully applied for the new positions, this would turn out to be a serious management challenge, particularly in the beginning.

Nonetheless, several hogescholen applied for the lectorates, because after all, there was *additional* funding available. In 2002, 86 lectors were appointed and 177 lectorates were approved by the SKO. In 2003, there were a total of 176 lectors installed. The lectorates have been closely monitored and evaluated from the beginning. There have been several formal evaluations on outcomes and progress (SKO, 2004, 2006, 2008a, b). For this purpose, the SKO commissioned a committee with external members (chaired by Karszen).

The committee did not assess the progress in the narrowest sense of the word, but used a more general approach. In terms of the committee with respect to the 2004 evaluation: 'During the site visits [of hogescholen with lectorates] the committee did not behave as a judge. It sees its role more as observer and advisor' (SKO, 2004, p. 3). In the period 2003–2007, there have been three of such evaluations. In the first report, published shortly after the introduction of the lectorates, the committee's main conclusion

was that the lectorates were bringing new impetus to the Universities of Applied Sciences (UAS), while at the same time the lectorates clearly were not yet an embedded or integral part of the institutions. Limited progress was also reported by a 2004 Small and Medium size Enterprises (SME) employers' organization commissioned evaluation – there was not much collaboration between lecturers and SMEs and knowledge circulation between hogescholen and SMEs was still marginal (Van Bruggen and De Vries, 2004). The second SKO evaluation reported progress was being made, though there was space for further improvement. In their final evaluation in 2008, the SKO stated that in the first years, the hogescholen clearly faced problems in incorporating the new position of lector in their organizations, but nonetheless, they had accomplished a lot in just 7 years since then (SKO, 2008b, p. 15; HBO-council, 2010). The SKO recommended to continue the policy and, among other things, to double the number of lectorates in the coming years.

WHAT HAPPENED FURTHER: FINE-TUNING OF POSITION AND NEW INSTRUMENTS

With the introduction of the lectorates as well as the ongoing discussions about the important role of knowledge providers for society and economy, in the midst of the 2000s intense debates addressed the key question of what kind of research hogescholen actually should conduct (e.g. Van Weert and Andriessen, 2005; Borgdorff et al., 2007). Inspired by concepts as 'mode 1' and 'mode 2' and 'Pasteurs' quadrant', in which pure science (Bohr), use-inspired basic science (Pasteur) and application oriented research (Edison) are distinguished (Stokes, 1997), the outcome of the debates was that hogescholen should focus on practice-oriented research. Practice-oriented research is defined as research rooted in vocational practice and aimed to contribute to the improvement and innovation of that vocational practice. It meant that research at hogescholen would have a different focus than university research, although it might not be totally mutually exclusive (De Weert and Leijnse, 2010).

Moreover, for successfully embedding practice-oriented research, evidently its quality should be systematically assessed and assured. For this purpose, the SKO developed the Sector Protocol Quality Assurance Research (Dutch acronym BKO: *Brancheprotocol Kwaliteitszorg Onderzoek*), adopted by the hogescholen in 2007, which served as the basis for a national system of quality

assurance for practice-oriented research. In 2009, this system of quality assurance for research at hogescholen was introduced. The independent committee Validation Committee Quality Assurance Research (Dutch acronym VKO: *Validatiecommissie Kwaliteitszorg Onderzoek*) reviews practice-oriented research on scientific, impact and relevance indicators, taking notice of the different missions of hogescholen. The review orientation is towards development and improvement of research and the conditions under which they are taking place.

In 2005, as a result from ongoing discussions about the development of hogescholen to become knowledge gateways, a related policy instrument was introduced to improve the knowledge circulation and exchange between hogescholen and industry and public sector organizations, the so-called RAAK grant (Dutch acronym for RAAK: Regional Attention and Action for Knowledge circulation).⁶ In response to an amendment in Dutch Parliament in 2003, and made known in the 2004 national strategic plan for higher education and research (HOOP, 2004), the minister of education committed financial means to stimulate cooperation and knowledge exchange between hogescholen and regional industry (SMEs) to improve the level of innovativeness of regional industry. This aim to strengthen the Dutch innovation capacity was broadly supported by national advisory bodies (such as the Social and Economic Council and the Innovation Platform).

The Foundation Innovation Alliance (Dutch acronym SIA) is in charge of implementing the RAAK programme.⁷ Consortia of public and private partners (e.g. a hogeschool and a minimum number of ten SMEs or their sector organization) could design a project proposal to be submitted to SIA by the Executive Board of a hogeschool (SIA, 2010). The consortium proposals are assessed by an External Assessment Committee. The maximum project length is 2 years, for most of these projects, with a maximum grant of €300,000. Projects must be at least 30 % co-financed. RAAK-PRO has a 4-year time frame with a maximum grant of €700,000. Each project is coordinated and monitored by a hogeschool (based on given performance indicators) and progress and effects are reported to SIA.

In 2010, as a further step to strengthen the research function of hogescholen, the first Centres of Expertise were established. These Centres of Expertise (CoE) are public-private partnerships, partly funded by the government, in which hogescholen work together with industrial partners to enhance knowledge development and knowledge exchange.

EFFECTS: INSTITUTIONALIZATION OF THE HOGESCHOLEN RESEARCH FUNCTION?

As regards the effects of the idea to strengthen the research mission of hogescholen, one should first of all realize that the hogescholen subsector is diverse. This variety implies that the degree to which the reform has been institutionalized, as well as when this has occurred, differs from one hogeschool to another. Therefore, the general picture presented here may not do justice to each hogeschool.

After a slow start, the numbers of lectors and lectorates have increased. After appointing 86 lectors in 2002, there were 246 lectors in 2006, steadily increasing to 457 in 2010 and about 600 in 2015. These lectors have been appointed in different areas, 75 % hold a PhD degree and most of them have a part-time appointment as lector. After the reluctant start, many hogescholen became aware that practice-oriented research could be a strategic asset and acted upon it.

In 2005, 28 RAAK-MKB projects took off. In the first period (2005–2009), a total of 276 projects were awarded. In 2015, there were 464 finished RAAK projects, and another 85 running. These projects have a strongly practice-oriented research base, and lectors are involved in 95 % of the projects. Since the introduction in 2005, almost 4600 companies and 6000 professionals have been involved, including the involvement of about 3500 teachers and 21,000 students (AWTI, 2015).

In terms of its effectiveness the Dutch ministry of education concluded in 2010 that the instruments, lectorates and RAAK grants ‘have demonstrably contributed to the knowledge exchange between hogescholen, businesses and other knowledge institutions. A number of good practices show that some projects really demonstrate knowledge development. From the evaluations [from SKO and SIA] it also can be concluded that the use of the instruments leads to attention for the teaching process. Whether the use of the instruments has resulted in improvement of quality of the teaching as the consequence of the instruments has not been investigated and is not demonstrable on the basis of the available data’ (MOCW (Ministerie van OCV), 2010, p. 28).

In 2016, 15 years since the signing of the covenant between the ministry and the hogescholen, there is general consensus that the research function of UAS has obtained a structural and indispensable position in Dutch higher education. Contemporary hogescholen cannot be imagined without practice-oriented research. Curricula have

been renewed, graduates are being taught new skills, staff profiles and composition have been changed, there is more staff having a masters or PhD degree, research projects are being carried out and SMEs and public organizations are engaged in hogeschool research projects. Furthermore, it has become more common for young PhD holders (from the university) to start a career at a hogeschool. Another indication of the recognition of hogeschool research is the growing number of collaborations between lecturers and their university counterparts.

Another indication of the institutionalization of hogeschool research concerns the funding. Research funding for hogescholen has become part of the Dutch higher education funding model and hogeschool research is nowadays structurally embedded in research programming of the national research council. As regards the funding, for example, in both cases, the government's temporary grant has become a structural fund and budgets have been increased. In 2007, the funds for lectorates became part of the lump sum for hogescholen. In 2011, the ministry and the Association agreed to create a structural fund earmarked for practice-oriented research and to position SIA at the national research council *Nederlandse Organisatie voor Wetenschappelijk Onderzoek* (NWO), which actually occurred in 2014. What started off as a temporary funding scheme has become a structural component in the Dutch research funding model.

Additionally, it is worthwhile to mention that commendable results have been achieved with rather limited public resources. In the first years, the budget for lectorates was for example about €30m per annum and the first RAAK programme had a budget of €6m. Even though these budgets were small, effects are clearly observable and did not prevent the idea to become institutionalized.

Thus, one could qualify the idea to strengthen research at hogescholen expressed at the late 1990s as a successful idea. A number of comments however must be made. Firstly, to what extent the strengthening of the research function actually has caused an improvement in the teaching and learning function is hard to answer. Also the question in how far contemporary hogeschool graduates and enhanced knowledge exchange do contribute to the innovative capacity of the Dutch economy cannot yet be answered definitively. Firm evidence to underpin the impact of practice-oriented research, both in terms of quality and quantity, is lacking.

Second, while the number of lecturers has grown to over 600 in 2015, their share of the total number of teaching staff at hogescholen is limited (estimate of around 4–5 %). From this perspective, one might question their

impact, particularly if one takes into account that most lectors hold a part-time position – although this is likely to contribute to knowledge exchange, knowledge circulation and cooperation with other organizations. Despite a change in culture, students hardly notice the existence of lectors, as they are few in numbers and primarily having an external focus (Van Hout et al., 2009, p. 5). By the same token, despite a substantial number of practice-oriented research projects, one might question its impact if seen in the context of the country's total research production. The volume of hogeschool research (funding) sharply contrasts with university research. Is hogeschool research still a drop in the ocean of research?

This ambivalence can also be observed in the latest strategic plan of the Dutch ministry of education, where the minister of education proposes to substantially increase the number of lectors (by additional funding) (MOCW, 2015). This can be interpreted as both an indication of success (the instruments work and should be intensified) and failure (the instruments have not achieved their final goals yet).

Third, it is not evident to what extent the professionalization of hogeschool staff is a direct effect of the appointment of lectors. Possibly the recruitment of new staff with different qualifications (i.e. having a stronger research orientation) has changed the research attitude within hogeschoolen instead of successful coaching and training by lectors. Most likely, the introduction of lectorates have affected HR policies by raising awareness to have new staff profiles and thus indirectly contributed to a strengthened research profile. Moreover, while the number of hogeschool staff with a masters or PhD degree has definitely increased, the issue of staff qualifications remains one of concern and is still on the policy agenda, even after 15 years.⁸

LESSONS FROM THE DUTCH CASE

Successful ideas are beliefs that generate enough critical support to be adopted into policy, or that otherwise lead to some form of change as the result of a policy that has incorporated an idea (Béland and Cox, 2016). We have argued that the idea to strengthen the research function of Dutch hogeschoolen has been successful, despite of some critical remarks. Why was this idea successful? Which factors have contributed to the relatively successful and smooth journey from idea to institutionalization?

In retrospect, we can observe that this journey, unfinished as it might be, is taken step by step. Instead of radical change in a short time period, the

establishment of a research function at institutions without experience with conducting research needs a long breath. Learning new rules and adapting or even abandoning old ones is no sinecure (Lanzara, 1998). With hindsight, cutting such a complex process of strengthening the hogescholen research function into pieces – first lectorates, then RAAK grants and finally Centres of Expertise – has worked out well, although it was not intentionally planned for. The different instruments, implemented at different times and coordinated by different bodies, aiming at the same overall goal, allowed for gradual development and manageable processes. As the result of that, the imbedding of research at hogescholen has continuously but slowly progressed.⁹

This journey from idea to institutionalization underlines that complex policy reforms need time to sink in. A long-term perspective to assess impact is recommendable. Policymakers must acknowledge that a journey of a thousand miles starts with a first step. Early stock taking can be misleading, as adapting to new realities and changing attitudes and cultures usually do not happen overnight. The first evaluations of the lectorates took place soon after its introduction, which implied that spectacular results could not be expected. Such a lack of results could have caused a radical change in policy direction or even discontinuation. Sensitive action of the independent committee however prevented this. Instead of being a strict judge, their monitoring, advising and evaluations attached meaning to the idea to strengthen the research function of hogescholen. Interaction between the committee and the hogescholen gave the initial ideas meaning. The fact that the goals of the 'lectorate policy' were not defined in 'smart terms' enabled the independent committee to act in this way.

The rules for making use of the grant to install lectorates and conduct practice-oriented research projects in terms of eligibility and submission were clear and relatively simple. The targets of both instruments however were not SMART; the number of lectorates or research collaborations to be established has not been set in advance. While the lack of such a yardstick makes it hard to determine successfulness, it provides the opportunity to assess the use of these instruments differently. The SKO, for example, used the 'soft targets' to report progress in qualitative terms, to stress the potential of research at hogescholen and to give recommendations for improvement without nailing progress down to numbers only. In search for an adequate embedding of research at hogescholen, a calculative culture might have been counter-productive. The lack of specified, quantitative goals, and the way the independent committees (SKO and SIA) dealt with this, seems to have been an important success factor.

This incremental path can also be demonstrated with the choice of the funding instruments. After introducing it as a temporary grant, it has become a structural fund. The fact that it concerned additional budgets encouraged hogescholen to submit proposals. From a financial point of view, lectorates and collaborative research projects would not go at the expense of other activities.

Finally, the acceptance of ideas as well as their implementation is context dependent (Campbell, 2004; Béland and Cox, 2016). In this Dutch case, the context has been supportive. Disruptive events, such as the financial crisis or a number of scandals in the higher education sector, and other higher education policies have not disturbed the gradual strengthening of the research function at hogescholen. In fact, many national and international policies have supported a stronger research role of hogescholen from the start in the late 1990s to the current situation.

Another contextual factor that has contributed to successfully institutionalize the idea concerns the political environment. Policy design and implementation regarding the strengthening of the hogescholen research function has taken place in relatively calm political waters. The policy arenas were not discordant. Loudly voiced conflicting interests and interventions from outside the sector were absent. Political attention, and hence possible intervention, has been marginal. In this ‘quite surroundings’, the Association has been able to successfully build coalitions and pushing the idea forward. The ministry has been supportive from start to finish, also because along the way real problems did not occur. Moreover, in this dossier, the ministry opted for self-governance; the hogescholen were largely responsible for carrying this idea through. Government action was limited: soft regulation through a covenant and providing (modest) funding. The implementation can be seen as one of ‘low fidelity’, allowing for a large degree of local variation and requiring trust from central policymakers (Land and Gordon, 2013). Business and industry, by means of their employers’ organizations, have been supportive and willing to collaborate. The university sector hardly took notice of what was going on. Perhaps a certain degree of disdain was observable; anyway, the scale and scope of hogescholen research did not upset the universities. In this respect, as the outcome of intense discussions about the nature of research at hogescholen, the strategy of hogescholen to find their niche (practice-oriented research, especially at the regional level) and to avoid competition with university research has been a clever one.

NOTES

1. In fact, Dutch higher education contains more organizations such as private organizations offering publicly subsidized programmes. However, the core of the system consists of universities and hogescholen.
2. In 1983, the government induced reform 'Scale enlargement, Task division, and Concentration' (Dutch acronym STC) was implemented. This reform formally ended in 1987, but the mergers continued to take place: from 88 hogescholen in 1987 to 1958 in 1997, 44 in 2007 to the current total of 37.
3. The Netherlands Association of Universities of Applied Sciences (in Dutch 'Vereniging Hogescholen') represents the 'hogescholen'. At the time, the Association was called the HBO-raad (HBO council, where HBO stands for Higher Vocational Education). In this chapter, we will use the name 'Association'.
4. In fact, the first year's amount was 32.5 million guilders.
5. Dutch acronym for Foundation Knowledge Development HBO (Stichting Kennisontwikkeling HBO)
6. These are 'knowledge circulation grants'. There have been separate grants (RAAK programmes) for the hogescholen for different targets for collaboration: SMEs (RAAK-MKB), public organizations (RAAK-Publiek), and practice-oriented research (RAAK-PRO). For reasons of limited space, we leave these distinctions for what they are.
7. A cooperative effort of several actors, submitting a research proposal for a national programme for research collaboration, failed for funding, but was nonetheless seen as the proper body to manage the RAAK programme. SIA consists of the following stakeholders: the Association, two employers' organizations, Nederlandse Organisatie voor toegepast-natuurwetenschappelijk onderzoek (TNO) (organization for applied science research), Syntens (innovation platform that stimulates innovation in the SME sector), and Novay (public-private partnership of knowledge institutes and companies).
8. Staff qualifications is, for instance, one of the indicators in the bilateral performance agreements between the ministry and the individual UAS.
9. 'Slowly' is a matter of taste, as one might argue that it is remarkable what has been achieved in *only* 15 years' time.

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Pulling the Plug in a Bathtub: The Big Consequences of a Small Change in Norwegian Higher Education

Mari Elken and Nicoline Frølich

INTRODUCTION

In the Norwegian context, the Quality Reform (*Kvalitetsreformen*) introduced in 2004, is frequently referred to as the most comprehensive higher education reform in Norway (Michelsen and Aamodt, 2007). It was comprehensive not only in terms of scope but also in terms of time, spanning across three different governments. As one part of the Quality Reform, an opportunity for changing institutional categories was proposed. This meant that state colleges were given the opportunity to apply for university status, provided that they fulfil certain minimum criteria and are able obtain accreditation from NOKUT (the Norwegian Quality Assurance Agency).

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While initially a minor aspect of the overall reform, this structural element has created a flurry of activity since. Three institutions obtained university status shortly after (2005–2007), and fourth followed some years later (2011). Furthermore, structural aspects of the higher education system have become one of the key foci in the policy domain in recent years, culminating in a new structural reform launched in spring 2015. Thus, despite the structural element being a minor aspect of the reform at the time, in hindsight it has been an important milestone for significant structural changes in Norwegian higher education.

The Quality Reform has obtained considerable attention in research literature (Aamodt et al., 2010; Bleiklie and Lange, 2010; Bleiklie and Michelsen, 2012; Frølich, 2006; Frølich et al., 2010; Kehm et al., 2010; Michelsen, 2010; Serrano-Velarde and Stensaker, 2010). The fact that the reform opened up for new dynamics between, on the one hand, the universities and, on the other hand, the university colleges has also been noted. Already in 2009, Huisman and Van Vught (2009, pp. 31–32) observed that pressure for the colleges to obtain university status was gaining strength. While the overall reform and its effects have been extensively studied, less is known about the process through which this structural element became a part of the reform.

In this chapter, we explore the structural element of the Quality Reform, bearing in mind the national policy environment in which the reform was formulated. We propose four possible patterns for interpretation of this change process. One could argue that reform initiatives represent a way to solve particular issues within the system – representing a design perspective on change processes. At the same time, one could also argue that any reform could be seen as the result of long-lasting incremental development over time. Furthermore, one could view the process as a result of entrepreneurial activity by particular actors. Alternatively, the process can be seen as a result of other concurrent change processes, thus in essence almost accidental due to spillovers from other change processes. These four perspectives form the main analytical approach for this chapter.

Having this in mind, we take a starting point in that one can identify broad stages of the process, and thus we broadly distinguish between the agenda setting part (Why was system structure considered a problem? And whom was it a problem for?), the policy decision stage (How can we account for particular priorities for system structure as stated in the policy document?),

implementation (How were the policy objectives implemented and what were the main challenges in this process?) as well as long-term outcomes of the process.¹

ANALYTICAL APPROACH

Our analytical approach takes a starting point in which policymaking is always embedded in a specific societal context. New policies are not introduced in a vacuum, they relate to existing policies and preferences in the particular sector/problem area. Policy processes are known to be complex due to long time frames, as well as a multitude of actors, interests and preferences involved in the process (Sabatier, 2007). With multiple interests, involved decisions can in some cases become ambiguous as they need to satisfy various and potentially contradictory preferences. Being embedded in a wider societal context means that policymaking is always ‘a matter of choice under constraint’ – whether material, political, social or ideational (Goodin et al., 2008, p. 21). In that sense, any reform needs to be seen both in the context of historical trajectories of the sector, as well as the wider societal context in which the reform is introduced.

For this study, we take a starting point in four perspectives on change, with distinct patterns for how issues emerge on the agenda, how one conceives change, how one would view policy solutions and implementation. In essence, all of the four explanations share some main assumptions – that is, that both actors and institutions matter. Actors can play a decisive role in all of these, as their preferences and capacity can maintain status quo or drive forward change (Greenwood and Hinings, 1996). Furthermore, the four perspectives also imply that the context in which policy change is introduced, matters (March and Olsen, 1996). However, the perspectives diverge in terms of key perspective on change dynamics, as will be outlined in the following paragraphs. We have termed them as *reform as design*, *reform as incremental change*, *reform as concurrence* and reform as a result of *interest bargaining*.

One way to view reforms is to argue that a problem has been identified, which needs to be solved. This perspective takes a starting point in the view of policy being an exercise of *design* (Peters, 2015). The basic principle for such a perspective is that there is an assumed causal relationship between the identified problems and the solution that is articulated, and that the implementation process would address the issue and thus solve the problem. However, as various studies have shown, actors rarely act in a purely rational manner (Feldman, 1989). Actors operate with

imperfect information, and frequently create simplifications of complex issues (Simon, 1957). As Peters argues, an implication of design does not mean that all actors would agree on the definition of the problem, thus policy problems and processes are a subject to a high degree of framing. This framing also determines the scope of policy actors involved and what are considered as appropriate solutions (Peters, 2015). However, a policy *design* perspective, nevertheless, implies a sequence where a problem is identified, becomes a part of the agenda (potentially as a result of a framing process), then a policy solution is proposed, which then becomes implemented in the system. In a sense, this perspective most clearly resembles the sequence of policy stages as a linear process of problem solving.

However, one could also argue that reform can be seen as a rather routine process where changes are taking place in a rather continuous and incremental manner. This perspective emphasizes long-term *incremental* developments in the sector, where a reform is merely a part of routine government work (Olsen, 2009), or as Gornitzka and Maassen (2014, p. 19) put it, a ‘nudge that serves to accelerate ongoing “slow motion” reform processes’. From this perspective, a reform or policy change is not necessarily something new, it is embedded in specific political context (Mahoney and Thelen, 2010, p. 18), and largely follows existing trajectories. Unless a disruptive event takes place, agenda setting is thus likely a less-contested process, and decisions about policy aims and goals would follow on a path carved by either existing decisions, or existing routines and practices. Implementation in this context can also be in the form of formalizing already existing larger change processes. Actors here would be concerned with maintaining current direction for policy developments, and could argue that their behaviour is thus constrained by the logic of appropriateness (March and Olsen, 2008). Viewing reform as *routine*, the proposed solution would need to have clear relevance to the context in which it has been introduced and existing change processes in the system.

The third perspective on change dynamics is that reforms are neither problem solving nor routine formalization of change processes. Instead, one can argue that many reforms are a result of *concurrent* events and spillovers that can in some cases be a result of chance. Drawing loosely on the garbage can perspective (Cohen et al., 1972), this perspective takes a starting point that there is likely to be a high degree of ambiguity, regarding not only the problems but also potentially the likely outcomes. Thus, agreement between actors can be seen as an ‘accident’ of sequencing or concurrence.

Policy process thus is no longer a result of problem solving, but one of ‘proximity’ (Gornitzka and Maassen, 2014). For agenda setting, this means that the way in which problems are proposed does not always follow problem solving or incremental change processes as would be the case for the two previous perspectives. Instead, a reform can be a result of chance, an existing solution that has found fertile ground, or concurrent processes that shape the agenda, rather than any real agreement between the actors. Consequently, decisions are likely to include ambiguous or even contradictory aspects. For implementation, this can mean that the outcomes of processes become rather decoupled and likely include a high(er) share of unintended consequences.

Finally, one can argue that in some cases, it is interests that can be the primary force behind a reform, being based on specific preferences that these actors have (Gornitzka and Metz, 2015). Rather than being a result of identified problems that need solving, routine adaptation or a process of chance, this perspective would highlight the role of interests. In this context, actors become policy entrepreneurs and brokers – either facilitating particular outcomes or blocking them (Ingold and Varone, 2011). Rather than being a case of policy design as such, this perspective emphasizes the lobbying capacity of some actors within the system. Actors or specific actor groups can engage in processes of bargaining and lobbying, in some cases also after the policy decision, aiming to assure that there would be adaptation that would fit their view. Powerful actors can become veto players in which they can altogether block a policy process if the assumed outcomes are not desirable. As in this perspective the prospect of introducing change is highly dependent on brokering, implementation would also become dependent on these actors being able to push for their preferences in the implementation phase.

These four should be seen as stylized perspectives to emphasize particular aspects of reform processes, rather than mutually exclusive explanations of empirical reality. Reform processes usually include different dynamics at the same time and are driven by complex societal processes and drivers. Furthermore, reform processes frequently diverge from neat categories of agenda setting, decision and implementation (Sabatier, 2007). We use these four stylized views on reform dynamics to highlight the dominating drivers for the reform process to move forward – being either an element of a design process of solving problems, a process of incremental changes, a result of concurrent processes and proximity, or a result of individual interests bargaining for change.

STRUCTURAL ELEMENTS IN THE QUALITY REFORM

The Historical Development in the Norwegian Higher Education Sector

Higher education has traditionally not been a subject to many heated debates in Norwegian political domain. Historically, large reforms of higher education have been formulated by and embedded in official commissions with members from public administration, politicians and the institutions themselves (Bleiklie, 1996a). These commissions are considered highly prestigious in Norway and usually not only have a wide representation from relevant organizations but also a number of experts on the field (Tellmann, 2016). The commissions provide a diagnosis of the sector, highlight issues to be solved, and suggest possible solutions. This is representative of a consensus-oriented approach to policy-making, characteristic of the Nordic model in higher education policy (Christensen et al., 2014, p. 36). An important element of this approach is the extensive use of public expert commissions who provide advice to the policymaking processes.

Norwegian higher education has in recent decades, undergone dramatic change processes. Structural changes in the system prior to the Quality Reform have a long and important historical development process. Already in 1965, a Royal Commission was set up to assess various aspects of the Norwegian higher education system (Kyvik, 2002). During the 1980s, elements of neoliberalism and new public management were introduced. In 1988, a major reform was launched, prompting among other things large scale mergers of higher education institutions (Bleiklie, 1996b; Bleiklie et al., 2000; Frølich, 2005). Characteristic of the Norwegian tradition, this reform was also underpinned by a Commission, led by Gudmund Hernes. As a result of this reform, 98 vocationally oriented colleges were merged into 26 new state colleges in 1994 (Kyvik, 2002; Kyvik and Stensaker, 2013; Norgård and Skodvin, 2002). The following period was marked with academic drift, in particular in some segments of the system, as explained by one of our respondents:

the colleges got some doctoral degrees approved, so there was a sense of academic drift. During the university college reform, the “district colleges” had viewed themselves in the university class. Obtaining research time and resources was also part of this. Some of the other colleges thought also this was very unfair. (INT)

Among these district colleges, it was particularly the institutions in Stavanger and Agder who had put some effort into becoming a university. In Stavanger, there had been interest in establishing a university already in the 1960s, but as a result of the Royal Commission decision, the region received a district college instead. At the time, local authorities had already assigned a property that was called ‘university area’, marking the plans to build a campus for the university in the region. The aims to become a university were again emphasized in the 1980s, but then the process was effectively stopped, as Hernes (the leader of the 1988 Commission) was strongly against this opportunity, precisely to avoid academic drift (INT). However, colleges and universities obtained the same categories for academic work titles and career trajectories and were regulated by the same act (Dimmen and Kyvik, 1998). This is by some argued to be the first step towards erasing some of the strict sectoral dividing lines between university and university college sector, and in fact facilitating academic drift.

This can be seen as an illustration that despite attempts to constrain the development, academic drift has been taking place in the college sector. When looking back historically, one can argue that there is a gradual long-time development in this respect. This has resulted in ‘change being the normality’ in Norwegian higher education, as described by one of the respondents. The process has been gradual, with continuous development over time, at times being ‘nudged’ forward (Gornitzka and Maassen, 2014). Thus, when zooming out and examining these long-term developments over time, one can see *incremental* changes over time as a way to explain the trajectory of reforms. One could also argue that the 1994 merger process can be seen as a key turning point. There have been powerful regional *interests* aiming to lobby for the establishment of new universities, but up until the Quality Reform was on the agenda they had not had success with their ambitions.

Setting the Agenda – Quality Reform as a Comprehensive Reform

By the turn of the millennium, it became clear that the system was ripe for another examination by a new commission. According to a respondent, this was a clearly political aim:

It was a politically steered aim to obtain an analysis of Norwegian higher education, it had been rather quiet since 1994, the analysis that formed the

basis for that reform were even further back. So for about 10–15 years, not much had happened in higher education. (INT)

The minister appointed a large expert commission, with key representatives from stakeholders, led by Ole Danbolt Mjøs. In a sense, this commission-based way of defining the problem could remind of a policy design perspective in which common problems are identified, and solutions are then proposed based on expertise. At the same time, there are no very clear criteria for how members are selected:

I would not say that there are any universal criteria. (...) Mjøs was a very broad Commission and in most cases the commissions are rather broad. (...) All the relevant actors have to be in, and then labour market organisations, as well as sector experts and students. (INT)

From the side of the ministry, it is considered important that such commissions are considered autonomous. However, while the ministry was formally not involved in the work of the commission, it was nevertheless responsible for running its secretariat, suggesting that the decoupling of the commission from the ministry was not absolute.

The mandate for the group was very broad, and spans from microprocesses (i.e. teaching and learning practices) to issues related to degree structure and international processes. Thus, the main themes from the 1990s were followed up (INT). System structure was not necessarily considered a major issue to start with when the mandate was set down. However, some actors felt that this was a time to ‘clean up’ institutional categories (INT), as there was an impression of too many different categories at the time.

The work of the commission was comprehensive, with 26 meetings and involvement of substantial amounts of external expertise. The knowledge base had multiple sources. First, the group itself included researchers and sector representatives who had considerable knowledge about the issues within the sector. Second, various experts were invited to present. Third, the group itself made multiple study trips to various countries for lesson drawing (i.e. Finland, UK, USA). The working style suggested an almost network-like structure, involving considerable dialogue in the process to assure communication with the sector and to bring in expertise when deemed appropriate. This approach helped to assure that there were few ‘surprises’ when the report was published, as the whole process had been transparent throughout – all relevant actors had been informed during the

process. This dialogue puts focus on an essential element of this trust-based relationship – that the sector and the ministry can agree on what the problem is. By shifting the problem definition to a public commission, this definition of problems can also increase the legitimacy of solutions in the sector. Rather than being viewed as politically steered top-down reform initiatives, such an approach is viewed as more independent and expertise driven, with the sector being included in the decisions.

The overall working culture in the commission was very consensus oriented (INT); however, there were other aspects of the reform with majority and minority views in the final report. Initially, the university and university colleges held divergent views regarding possible changes in institutional categories. During the work of the commission, a consensus was reached and the final proposal was a compromise: there will be only four comprehensive universities while the new universities would have to have a specialized profile.

An interviewed expert highlighted two aspects that assured the inclusion of this structural reform as part of the Quality Reform. On the one hand, there was the strong push from two institutions with university ambition that had been strongly lobbying for this. This would indicate that the decision was, to a large extent, pushed by resourceful actors who were able to convince others. However, as highlighted in the interviews, few would at the time have assumed the consequences this would have for other institutions, aside the two that had been lobbying (in fact over decades). Another important element raised in the interviews is the depoliticization of the process. While higher education policy in itself is not very salient or controversial issue, district politics definitely is. When higher education policy questions become entangled with district politics, they can also attain considerable attention in the parliament, as local politicians would stir up opposition. Historically, this has made any decisions about new universities unlikely and difficult. So the solution provided a way to move these kinds of decisions about universities out of the political domain by introducing a quality assurance agency that was perceived as a neutral and professionalized body. As one of the respondents noted:

The aim was to create a professional body that could be a buffer between the higher education sector, and the political power play.

The Mjøse Commission delivered their report (NOU, 2000, p. 14) to the ministry in May 2000. The proposal was sent out to a national consultation

round in the sector and with relevant stakeholders, with a deadline to submit responses by October 2000. There were rather mixed responses to the suggestion of structural changes in the hearing round. As the noted in the following White Paper (St. meld nr 27, 2001), existing universities, several research institutes and the Research Council of Norway were opposing this change, whereas the majority of university colleges, and all of the employers' organisations who sent a response in the hearing were positive regarding the proposed change.

One could to some extent argue that if one would view the process of shaping the Quality Reform as a whole, it also has an underlying *design* idea – a diagnosis of problem is provided by an expert commission, and by including a wide set of actors and expertise a solution is then proposed. However, institutional categories or system structure was not necessarily identified as a problem in the system, thus it can rather be seen as a success of lobbying, suggestive of a more *interest-based* perspective as the main rationale for the structural element of the reform. The applicability of the *concurrency* argument depends largely on unit of analysis. Viewing the structural aspect as an isolated change one could argue that there were important other changes and aspects of reform that enabled this: for instance, role of Bologna as adding legitimacy the reform as a whole, changes in institutional autonomy and establishment of a quality assurance agency that could deal with these applications outside of the political domain. At the same time, the long historical lines have had an important role in creating the conditions for their success (i.e. the mergers processes and academic drift that followed), thus the *incremental routine* changes have an important role in enabling this development.

The Decision and Instruments Proposed for Structural Change

Following the consultation of the commission's report, the White Paper to the parliament 'Do your duty – demand your right. Quality Reform of higher education' was put forward on 9 March 2001 (St. meld nr 27 2000–2001). The content of the White Paper followed rather closely what had been agreed upon in the Mjøso Commission and was agreed upon in Parliament in June 2001. The White Paper (St. meld nr 27, 2001, p. 21) lists a range of comprehensive changes in the system – from degree structure to increased autonomy. The overall aim of the reform was to enhance quality. This included strengthening university colleges role in their regions, where they would collaborate with both public and private

sector, as well as facilitate research in areas that are relevant, ‘an important premise for offering education of high quality and relevance’ (St. meld nr 27, 2001, p. 52).

Structural change was enabled by the option for institutions to apply for change in institutional categories. However, one can argue that strengthened institutional autonomy and emphasis on profiling can also contribute to change processes that can enable this change in categories. The question of the division of labour between the different institutions and profiling of individual institutions has a whole chapter in the White Paper. In the White Paper (St. meld nr 27, 2001, p. 50), the division of labour between the (research) universities and university colleges was considered a strength of the system. Thus, while highlighting the distinct nature of the two sectors, the White Paper opened up for change in categories: ‘*university colleges that have the right to issue doctoral degrees can apply for transition to university status*’ (p. 22, own translation). It was this provision that formed the basis for structural changes. It should be noted that the White Paper repeatedly asserts that there is no space for other new comprehensive research universities aside the existing four, following up on the Mjøs Commissions report.

In the ministry, the White Paper was then followed up by about 20 different projects with a specific thematic focus. In this work, the higher education institutions were involved in developing an outline for the implementation process, as highlighted by an interviewed policymaker:

In the follow up that the ministry did, we were successful as we had a good dialogue with the sector, and involved them rather closely. So everyone knew what was up. (INT)

The start of the whole reform was set to 2003, with an opportunity for institutions to start with the new degree structure already in Autumn 2002. Analysis of the reform implementation suggests that the manner in which the Quality Reform was implemented distinguished itself from earlier reforms in which it was more rapid and comprehensive (Bleiklie, 2009). The implementation was assigned extra funds in the state budget, with 1.14 billion NOK (about 178 million Euros in 2003 exchange rate) assigned for the reform implementation costs in 2003–2004, and the funds were continued also in 2005 and 2006.

NOKUT was established as a consequence of the Quality Reform. It obtained a principal role in carrying out the structural aspects of reform.

Obtaining university status was thus linked to accreditation. In addition to this, NOKUT also carries out quality assurance tasks within the system. The evaluation of NOKUT in 2008 revealed that there had not been drift from its original mandate (Langfeldt et al., 2008).

The kinds of instruments the structural reform was based on were regulation and authority, being based on non-financial incentives as university status *per se* was perceived as desirable. It was both a result of lobbying and bargaining but also what was considered the best solution at the time to satisfy the concerns and aims within the Mjøs Commission. The underlying argument to moving these decisions to NOKUT was to guarantee a more professionalized decision-making process, including the decisions about institutional categories. Being a completely new body for quality assurance, there were also fewer legacies to take into account, even if it was built on existing work in other bodies who had conducted such tasks in the system.

The overall reform also received a wave of criticisms from the sector, focused on some key issues, in particular linked to leadership and the formal legal status. At the same time, the reform proceeded with implementation. In one of the interviews, this was linked to specific cultural characteristics of the sector in Norway – while controversy might emerge during the formulation of reforms, once they are carried out, one tries to make the best out of it rather than oppose fiercely. One can argue that there is a degree of *design* and *concurrency* that can be observed – the establishment of NOKUT was an important facilitator for structural changes and changing institutional categories. It is complicated to evaluate the role of interests at this point, as the empirical material sheds only limited light on the debates that took place in the parliament. At the same time, one can observe that the final outcome did not substantially diverge from the propositions made by the Mjøs Committee.

Hands-Off Implementation

A number of the changes proposed in the Quality Reform were formalized in a new law for universities and university colleges in 2005 (Universitets- og høyskoleloven, 2005) – outlining among other things the mandate of NOKUT. The standards to be a university in the accreditation procedure were outlined in the NOKUT regulation (*forskrift*) in 2005. The seven criteria for a university were linked to the primary purposes, organisation

and infrastructure, to have a ‘stable research, or professional/artistic developmental activities of high quality’ and be linked to national and international academic networks. While these appear to constitute a qualitative evaluation, some of the other criteria are more technical. The process of changing institutional categories was thus based on voluntary action by the institutions, that is, it was very much a ‘hands-off’ reform, with bottom-up implementation. There was also consciousness in the ministry about maintaining the regional and societal mandate of the university colleges.

NOKUT is responsible for producing the evaluation, using experts from the sector in their expert groups who do the evaluations, and collecting a considerable amount of data on the institutions. Thus, the process is both professionalized and technical. One can argue that this has been a way to enable the reform to be carried out. This means reduced political interference. As noted by one of the respondents:

the final approval comes from here [ministry], so we have a possibility to say that, well, this institution would not become a university. However, there is an expert commission who has made an evaluation, and they also fulfil the criteria from NOKUT. (INT)

While there is a possibility to refuse applications, this is generally not used, with the exception of one case where *specialized university institution*² status was given to one field rather than the institution as a whole.

Shortly after the reform, two institutions applied for university status – Stavanger and Agder. The third applicant, the University of Life Sciences in Ås was perhaps less expected at the time, as argued by the respondents. After these three applications, there were no new applicants for a few years. As was highlighted earlier, it was not clear for all involved that there actually would be more applicants. However, after some years, Nordland followed up with an application for a new university in the north, and several university colleges have university ambitions in the system. Thus, while this structural aspect did not have any specific implementation process, ‘university’ label appears to have provided a strong incentive. There is an obvious prestige aspect, but this can be linked to autonomy and quality assurance – universities are self-accrediting with respect to study programmes, whereas university colleges need to apply for programme accreditation for master and doctoral programmes. While the financial motives for becoming a university have never been

offered, the academic drift within the sector has been strengthened by the possibilities.

The changes that have followed have changed the institutional landscape. Viewing from this perspective, one could argue that the incentives created within the system to a large extent represent a long-term *incremental* process, where specific system dynamics played an important role, and one could also argue that in some sense, *concurrent* processes of increased institutional autonomy can have played a role in this process. As the implementation was largely hands-off and building on existing change processes in the system, the *policy design* aspect was not very relevant in this stage.

Effects: 'Pulling the Plug in the Bathtub'

The effects of the Quality Reform were already evaluated in the period between 2003 and 2007, with considerable information collected from a wide range of sources. In 2007, the main findings of the evaluation were published as an official report to the parliament (St. Meld Nr. 7, 2007), highlighting the complicated nature of the reform, its comprehensive span and the difficulties of identifying causal effects of the reform from other changes in the system (Michelsen and Aamodt, 2007). The results showed mixed results regarding other aspects of the reform (Bleiklie et al., 2006; Hjellbrekke, 2006; Michelsen and Aamodt, 2007). Regarding the structural changes, what was evident was that despite changes or ambitions of change in institutional categories, there were still performance differences between universities and university colleges, for example, universities producing 86 % of the publication points in the system (Hjellbrekke, 2006). As the evaluation took place a rather short time after the reform, it was reported that any conclusions should be seen as temporary and preliminary.

Not all of the respondents interviewed in this study would agree that there has been a major change in the system, instead arguing that the change in institutional categories is not so much a debate about structure, but a debate about labels. This argument is based on the notion that the new universities are still substantially different from the old ones (i.e. disciplinary profile, research intensiveness), thus the 'university' category now is just broader and change has primarily been in what they are now called. However, another respondent emphasized that as a result of this, the distinction between institutional categories has become blurry (INT).

This blurring of categories has contributed to the de facto watering out of the binary system in Norway, as the differences between institutions in the same category can be rather substantial. From the interviews conducted for this case study, at the time of the Quality Reform, this was not planned to take place, even if the option to change categories was clearly and explicitly formulated. While the consequences were not foreseen at the time, in hindsight the effects of the structural aspect Quality Reform have been described as substantial:

Well, I suppose it is like this that if you pull out the plug, all water runs out. So perhaps we had started a process that took off a bit more than initially expected. (INT)

What this shows is how small changes can, in the long run, have a substantial effect. Pulling the plug in the bathtub might not be instantly noticeable either in terms of effects, but the water will run out in the end. And one could also argue that this structural change had a similar aspect to it. This change also becomes intertwined with other *incremental changes* that have been taking place due to earlier reform initiatives. Not least, *concurrent changes* in the system played a role, related to institutional autonomy, strategizing and academic drift in the system. Over time, these have had a dramatic effect on Norwegian higher education system.

EPILOGUE: CHANGES AFTER THE QUALITY REFORM

The Quality Reform was followed with a series of new changes. Already in 2006, a new commission was appointed to examine system structure, led by Steinar Stjernø. In their final report that was published in 2008 (NOU, 2008, p. 3, 2008), major structural changes were proposed. The key issue brought up was the problem of fragmentation of resources, and the necessary steps to have more concentration to develop more robust education and research environments, and there was a sincere wish to follow this up (INT). There seemed to be agreement regarding the diagnosis of problem, highlighted by one respondent:

Stjernø Commission put forward some rather drastic proposals. There was agreement on the diagnosis and there was also support in the sector and the ministry regarding this. At the same time, the proposed initiatives were perceived as too drastic. (INT)

The report suggested an exhaustive merger process towards eight large regional multicampus universities as a solution. This suggestion obtained considerable opposition in public media, and the ministry chose not to go forward with the more radical suggestions.

The ‘SAK’-initiative (an acronym for Cooperation, Division of Labour and Concentration – *Samarbeid, Arbeidsdeling, Konsentrasjon*) – followed directly as an alternative to top-down mergers and entailed incentives for cooperation concerning education, research and administration across universities and university colleges. The main aim of the new initiative was to provide financial incentives to higher education institutions to establish different forms of alliances (including mergers). This has also led to further structural changes:

This has led to structural changes. Whether it has only been caused by [SAK] can be debated, but these changes have happened in this period. We have quite a few changes recently. (INT)

Indeed, in recent years, a number of merger processes have occurred, and several institutions have expressed university ambitions. In 2013, the new government paused the processes of university colleges becoming universities, and announced that system structure will be reexamined.

In April 2015, the White Paper ‘Concentration for quality’ (Meld. St. 18, 2015) was launched proposing a series of mergers – both voluntary and those where institutions would essentially need to merge due to quality concerns (Frølich et al., 2016). The institutions will have to follow specific quality criteria that will determine if they can ‘stand on their own’ or whether they would merge with another institution. The criteria for becoming a university were to be stricter, where focus is put on that doctoral candidates ‘should come to a strong environment, not build up one’, as highlighted in one interview with a policymaker (INT). The main points in the new regulation are criteria for the academic environment (staff capacity and competence, quality of academic work and international and national networks). The new regulation was published end of June 2016, and is expected to enter into force by 2017. Oslo University College of Applied Sciences (HiOA) and University College of Southeast Norway (USN) are expected to be among the first applicants.

The following years have also shown a further development of system structure, where one can also observe that changes that are perceived as

too drastic can also be blocked. Thus, while such commissions are usually an important element of a design process, the Stjernø Commissions suggestions that came after the Quality Reform can also be seen as an example where the Ministry was not prepared to go forward with the proposed solutions despite agreement on the problems. Looking back, while one cannot point this wide structural change to the Quality Reform alone, it provided an important turning point in a long-term incremental change process. One could argue that an important aspect of this is that there now are more different ways of being a university, thus the sectoral divide according to study profile is now withered out.

SMALL CHANGES, BIG CONSEQUENCES

This case highlights the complexity of systemic change initiatives in higher education. Furthermore, it highlights that the unit of analysis obviously has implications for the key conclusions. While the long lines of development in Norway can in most cases be seen as based on incremental routine reforms, zooming into the individual reform processes one can find negotiations and bargaining between actors, concurrent changes that intertwine with reform efforts and attempts of policy design. At the same time, this case also highlights that at particular turning points changes are introduced that create dynamics within the system that are difficult to reverse. Furthermore, studying comprehensive reforms such as the Quality Reform, it is likely that the specific dynamics for the various elements in the reform vary.

If one would examine the whole reform in more general terms, one could argue that it had a number of elements of a *policy design* process in the development and decision stages. The basis for the reform was grounded in a diagnosis of specific problems in the system, with considerable expertise involved in developing possible solutions to these problems. A striking feature of the reform is the process of how it was developed, introduced and carried out. Norwegian higher education is in general characterized by long lines of development and high level of consensus – between the state and the sector, and across the political spectrum. The consensus-oriented approach to policymaking means that a wide range of *interests* and views are included in the definition of problems. In such a manner, the problem definition is to a large extent bottom-up and in most cases emphasizes expertise less than political ideology. Of course, the kind of problem formulations and instruments that were selected by the

commission were also embedded in the specific context at the time and thus influenced by reforms that had taken place in the 1990s, in particular the merger processes that had taken place. In that sense, despite being a process of design, there is a series of previous *incremental* changes that enabled this reform. Furthermore, it was evident that the Quality Reform became an opportunity for interested actors to engage in lobbying and furthering their own interests. These were actors from selected few institutions who had been pushing for this opportunity for a long time. In that sense, the proposed solution being a compromise was able to satisfy a number of diverging views and assure consensus on a common denominator. Thus, the process had also considerable interest-based aspects in the sense that particular actors were pushing for their agendas (and using the reform as an opportunity to lobby particular preferences), diluting the view of a quasi-rational design process over the overall reform.

The implementation stage again emphasized the incremental dynamics in that the reform in itself was based on a bottom-up perspective – institutions were not merged nor upgraded, they were given the opportunity to change categories once specific preconditions were in place. Thus, one could argue that the whole implementation process was largely dependent on change dynamics within the sector and specific institutions (i.e. Do they have the capacity to fulfil the criteria of becoming a university?). The developments since have shown that academic drift is a strong force, and that shifting the governance structures also led institutions towards more strategic behaviour. Furthermore, it is likely that shifting arenas and depoliticizing the issue enabled this change to take place, and for other institutions to follow.

One could argue that having this kind of commission-led problem-solving approach with high involvement of interests in some sense contributes to an overall incremental reform trajectory, as actor preferences are usually embedded in existing norms in the system. The context in which these processes plays an important role here – in particular the extent to which the system is characterized by more consensual processes or whether system is characterized by high degrees of contestations. One can assume that focus on consensus would likely put emphasis on common denominators and thus emphasize incremental processes. At the same time, this case also shows that unintended consequences nevertheless emerge as new changes interact with existing system dynamics.

While the Quality Reform was perceived by its designers as a way to provide two institutions a way to become a university, its long-term effects have meant a general softening of the binary divide – exemplifying how *small changes can lead to big consequences*. In some ways, one could argue that this would suggest an inherent contradiction – while the change was presented as a general opportunity to change categories, there had not been an idea of this becoming a system-wide process. In terms of the four perspectives on change, it shows that under certain conditions the changes that are being introduced can become irreversible. This becomes even more powerful when a proposed change is amplified by existing change processes in the sector (in this case, already existing academic drift). While the notion of unintended consequences is rather well established in literature about higher education reforms, this is particularly evident in this particular case. The structural reform aspect in the Quality Reform is sometimes considered a minor and almost technical change. Despite this, it provided to be a change where the consequences have been anything but minor in the long run. Indeed, while one perhaps would not notice the effects short term, when you pull the plug in the bathtub, in the long run, the water will run out.

NOTES

1. In the text, information from interviews is indicated as ‘INT’.
2. Specialized university institution (*vitenskapelig høyskole*) is an institutional category in Norway for institutions that are university-level but with a narrow disciplinary focus (i.e Oslo School of Architecture and Design, Norwegian School of Economics, Norwegian Academy of Music). There are eight such institutions in Norway.

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The Government Response to the Private Sector Expansion in Poland

Dominik Antonowicz, Marek Kwiek and Don F. Westerheijden

THE CONTEXT OF REFORMS

One of the trademarks of transformation of Polish higher education is its tumultuous and inconsistent path of development driven by the rapid growth of private sector higher education. Such an expansion has been often described as a ‘sudden, shocking and unplanned’ phenomenon which revolutionized the institutional landscape of higher education in Central and Eastern Europe (Levy, 2007, p. 280). Also in Poland, the rise of private higher education is perhaps one of those aspects of the Polish higher education that caused revolutionary and far-reaching changes whose significance can be hardly overestimated. It also attracts scholars’ attention (e.g. Duczmal and Jongbloed, 2007; Antonowicz, 2016;

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Duczmal, 2006; Kwiek, 2012, 2016a). However, clearly, there is still a knowledge gap in regards to the analysis of coping with the expansion and with governmental efforts to take control over the process of galloping expansion and securing minimum quality standards in (especially private) higher education.

Before we analyse the structural reforms aiming to address the problem of quality of education, we shall present the overall context in which this policy was devised, developed and implemented. Such an approach holds a key for understanding the overall internal complexity of political processes that brought the idea of establishing State Accreditation Committee (PKA)¹ into action. Shortly before the political and economic revolution in 1989, Poland was characterized by its low gross enrolment rate (slightly below 10 %). In the turbulent political and economic times of the 1990s after the fall of communism, public spending on research and higher education were a low priority.

One of the key factors in the development of higher education in terms of governance and funding, but also in terms of policy, is demography. After 1989, numbers of secondary school leavers were gradually increasing but in 2002 the demographic situation turned into a decline, marking a change in external environment. The demographic decline was only raised as a minor issue in the 1997–2001 discussions about the shape of higher education and about the future of its private part. Yet, it became the reality affecting every aspect of higher education governance and funding, and changing the public–private dynamics in the system. In fact, declining demographics heavily affected both the public and the private sectors since 2006. As a consequence, the Polish system has been in contraction since then (Kwiek, 2013, 2016a). The number of private higher education institutions has declined (from 334 in 2006 to 289 in 2015), and the private sector has contracted faster than the public sector because it is fee based while full-time public sector is tax based. To make things worse, the contraction era is expected to last for at least until 2025 (Antonowicz and Gorlewski, 2011).

Although most of the analyses emphasize the demographic conditions, they tend to overlook another important human factor that – at least in the 1990s – had massive impact on higher education. There was a large reservoir of people who had not accessed higher education and had entered the labour market without a higher degree. However, their professional career development was limited, as higher positions in public administration and large public companies were often formally restricted to those with degrees (Antonowicz et al., 2011; Antonowicz and Borowicz, 2006). So those

individuals – being well settled in their organizations – were interested in getting credentials to re-launch them on the rocky path of career development. It is essential to distinguish ‘degree hunters’ from the broader student cohort, due to their special expectation and purely instrumental approach to higher learning. Without exaggeration: many of those students were keen on degrees but had little (or even no) interest in quality of education. They were adults, most often employed full time that were interested in taking part-time education due to their professional commitments. ‘Degree hunters’ were among the key drivers for expansion of higher education and many private sector higher education institutions wanted to meet those demands.

However, to elucidate the nature and speed of the expansion of private higher education one should not neglect the explanatory potential of the ideological overlay. The political and economic transformation of 1989 produced a stunning ideological U-turn, the arrival of capitalism, glorification of individualistic values and embrace of meritocratic beliefs. In the new ideological fashion, education became a form of investment in human capital. Moreover, the first law of higher education (1990) after the fall of communism tried to restore the myth of the Humboldtian university, which was the historically rooted ideology of the academic community. That law also established very liberal requirements for private higher education institutions to enter the market, which reflects the entrepreneurial spirit of economic transformation. The analysis of the topographic trajectory of development of private higher education shows that it was primarily driven by entrepreneurial spirit than provision of education to those with limited access. Private institutions were being opened across Poland but predominantly in major academic cities, next to public ones (Antonowicz, 2016). And we remain under no illusion that as Enders and Jongbloed (2007) claimed, the private sector of higher education in Poland has not provided ‘better education’, likely not even ‘different education’, but certainly ‘more education’ taking advantage of business opportunities.

Following Pawłowski (2004), it is remarkable how the free market came to rule a sector so far removed from the conventional economy. The sheer magnitude and dynamics of change was phenomenal. In 1989, the private higher education was non-existent while 15 years later it consisted of 315 higher education institutions and a population of 620,800 students, which (in terms of students cohort) was almost twice as large as the entire student population in the beginning of transformation. These numbers show perfectly the rapid rise of private higher education, although it does not capture the complexity of the changes. The higher education law (1990)

had signalled the withdrawal of the state from higher education policy as it had neither political authority nor resources to be a potent actor. The ‘policy of non-policy’ fit well into *laissez faire* values that underpinned public policy of the early 1990s. The state tried to impose at least some control through a multitude of little bureaucratic regulations which, however, it failed to execute. Theoretically, the state could rely on professional integrity of the academic community well embedded in good public universities, but heavily underfunded public higher education institutions and scandalously low academic salaries made many accept quick financial gains. The general enthusiasm that surrounded so-called educational boom overshadowed potential side effects (e.g. Szczepański, 2001). Nevertheless, there was little doubt that the state was simply unable to exercise effective control over the private sector, regarding the skyrocketing growth in numbers of institutions, the number of students enrolling, but most importantly regarding the quality of education provided (Pinheiro and Antonowicz, 2015).

In the second half of the 1990s, the rapid development of private sector drew growing public concern and also media attention as to the absence of the state in higher education (e.g. Szczepański, 2001). The withdrawal of the state, although enthusiastically awaited by the academic community after abusive communist control, would perhaps fit a welfare state in static conditions. However, in a highly competitive environment, it revealed serious constraints, among which is a strong asymmetry of information between providers and consumers. The quality of fee-based education sparked serious doubts in public opinion as to what kind of access and what kind of education were offered. The criticism reached its peak at the turn of the millennium. Calls were made for the government to secure minimum quality standards in higher education (Szczepanik, 2000; Dietl and Zapijaszka, 2001; Dietl, 2001). The outcry was particularly focused on the private sector which – according to the national Supreme Audit Office (NIK) – had remained beyond any governmental control or public accountability (NIK, 2000).

RATIONALE FOR THE REFORMS

The government desperately needed to gain control over the galloping expansion of higher education which seriously undermined the quality of education. Internal and external privatization (Kwiek, 2009) of higher education required a different role of state, to lesser extent as provider and more as a market regulator, to secure minimum levels of quality of

education. It needed power to stop those who fail to maintain bottom-line standards in education from awarding academic degrees. At the time, the legal control and supervision mechanisms at the state's disposal were weak (the relevant formulations in the act and in lower-level regulations were general and often ambiguous), the ministry was not staffed enough (six people in the ministry, including three part-timers, dealing with the private sector in 1999–2000), and, technically speaking, its physical access to, and its power to impose decisions on, private higher education institutions very were limited. So was the power of the existing representative body of the academic community, General Council for Higher Education (RGSW), created still under communism in 1985. The General Council was unable – technically, legally and in terms of infrastructure, staff and resources – to provide support to the ministry in controlling and supervising the private sector. No other institutions were legally able to assess the quality of education offered in the sector (or any other dimension of its functioning).

The ministry intended to address the problem of quality of education in the private sector. However, for legal reasons it could not confine itself only to private higher education institutions, while public universities were highly sensitive about any form of interference in their internal matters. To cut a long story short, it was legally impossible to focus only on the private sector but politically impossible to impose control on public universities, bearing in mind their high level of institutional autonomy granted in the law of higher education in 1990.

The first attempt to regulate the private sector was conducted in the mid-1990s. The ministry produced a special law for the new category of vocational higher education institutions, trying to curb galloping expansion and also lay the legal foundation for public vocational higher education institutions. The legislation was approved by the parliament (1997), but a vast majority of private higher education institutions managed to escape from its jurisdiction (and vocational status) by opening master programmes, which formally gave them academic status and institutional autonomy (Kowalska, 2013).

At the same, there were bottom-up initiatives to address the issue of quality of education, among which the most institutionalized was the University Accreditation Commission (UKA). Established in 1997, it was an independent accreditation organization formed by rectors of leading Polish public universities Conference of Rectors of Polish Universities (KRUP). However, UKA – indeed a very positive initiative – was unable to address the problems that the ministry desperately

tried to resolve. First, because UKA was a quality development/assurance organization that helped higher education institutions that voluntarily agreed to undergo such procedures to improve the quality of their educational programmes. Such a body was needed and performed positive functions, but it was radically different a bottom-line accreditor. UKA provided assessments and guidelines to those who already felt responsible for the quality of education and sought to improvement for the sake of students. It concerned well-established public universities unlikely to have problems with low quality of education and whose professional integrity pushed them to seek improvements. Second, the accreditation of UKA did not earn much recognition outside higher education and – to add insult to injury – it did not have any value in the eyes of a large group of ‘degree hunters’, who made up the vast majority of fee-based students. Last but not the least, UKA exercised no formal authority, it could only award certificates that had more value among academics than for potential students. Hence, it could help develop excellence but it could not prevent low-quality provision.

Both public and private higher education institutions had the right to award state’s (recognized) degrees, which was symbolically reflected in the national emblem on diplomas. While the power of the ministry, accompanied by its two consultative bodies: RGSW and the Accreditation Committee for Vocational Schools, formed in 1997, kept shrinking in the 1995–2001 period, the power of the booming private sector was ever increasing. The imbalance between the private sector and the ministry was becoming intolerable for the ministry especially since the private sector exerted powerful influence on the functioning of the public sector, which also grew substantially in that period, especially although not only through its fee-based part-time tracks. The influence of the private sector was partly positive as a result of the new cross-sectoral competition, though mostly negative as a result of private higher education institutions using almost exclusively public sector academics. ‘Moonlighting’ of public sector academics became almost universal, working full time in both sectors, with an emergent hot issue of ‘multiple employment’, not solved until 2012. The growth of the private sector led to a major decline in research activities conducted by academics and the generally reported neglect of their teaching duties in their original, main workplaces, that is, public universities. This phenomenon, commonly known as ‘deinstitutionalization of the research mission’ (Kwiek, 2012), has had far-reaching consequences for those fields of sciences which experienced the biggest inflow of students in

both public and private sectors, such as especially social sciences and the humanities (Antonowicz 2015). Compared with Hungary, Slovakia and the Czech Republic, the Polish share of academic knowledge production in the region as measured by the number of internationally visible publications in those ‘soft’ fields (was systematically falling in 1995–2010, and the share of production in those fields unaffected by the expansion in the private sector (such as physics, mathematics and chemistry) was constant or increasing (Kwiek, 2012).

In short, the rationale for reforms was market failure. Neo-liberal thinking, fashionable in the early 1990s, was based on the simple assumption that ‘the market knows best’ and that the invisible hand of the market mechanism (rather than any state-imposed regulation) could provide an optimum outcome. The *laissez-faire* attitude of the state to the private sector growth was a side effect of the general political feeling that the market was better than the state, and less state regulation (resulting in more institutional autonomy) was better than more state regulation (and less institutional autonomy). The overall attitude of the private sector was that the state should preferably ‘leave it alone’, apart from rudimentary licensing requirements as laid down in the 1990 law, and rudimentary, mostly voluntary, supervision as described in the same law. In the period of the early Polish capitalism (1990s), the emergence of private higher education institutions was viewed as the triumph of the individualistic thinking over statist thinking, known from the pre-1989 period. The *laissez-faire* values significantly influenced public policy which took shape as a ‘policy of non-policy’ (Kwiek and Maassen 2012). A powerful argument of the private sector for not interfering was that the sector was fully fee based, with limited (and only regional or local) public funds involved.

The last straw that broke the camel’s back was the report ‘Information about the results of the audit of the functioning of the state supervision of private higher education and private higher vocational higher education institutions’ issued by the widely respected the Supreme Audit Office (NIK). It left no doubts about the lack of state supervision of the private sector (NIK, 2000). The report showed that the state was in fact toothless in enforcing any quality standards in higher learning. The report referred to all fee-based programmes but specifically targeted the private sector as beyond any control. To illustrate the powerlessness of the state, the report pointed out that even if the ministry spotted lawbreaking practices it could only inform the private higher education institutions that it ought to make corrections. The report attracted wide media coverage and resulted

in long-lasting discussions in both academic periodicals (like *Forum Akademickie*) and more general social and political weeklies (*Polityka, Wprost*). The discussion was not so much about private higher education as about the minimal role of the state, its insufficient instruments, small staffing and ineffective legal infrastructure to supervise the private sector. Consequently, the highest national auditing body (created when Poland re-emerged independently, in 1919, to control all public institutions) provided the ammunition to ministry-based reformers (in a ‘Team for the Amendment to Laws Related to Higher Education’). While the report was highly critical of the ministry, the ministry fully agreed with both its content and conclusions. The major message was that the state should not remain as powerless as it was in confronting the private sector. Consequently, via the criticism of existing weak mechanisms of control and supervision, the report provided arguments to give more power to the state (the ministry) and its consultative bodies, such as the state accreditation commission.

POLICY DESIGN AND INSTRUMENTS

Designing policy to curb the private sector, to gain control over galloping expansion and low quality of education had been on the agenda since the middle of 1990s. Despite an intensive discussion (both scholarly and in the press) and some political efforts to implement structural reforms the private sector had remained beyond control. At the time, there was growing awareness that the process of expansion and in particular provision of fee-based education slipped out of hand and that the ministry alone might not be strong enough to pursue its goals. Accordingly, the design process included the Ministry of Education (and its special team) but no other ministries at that time, even though parts of the Polish higher education system belonged to such ministries as Health, Agriculture and National Defence. Actors included, however, were the Parliamentary Commission on Education, Science and Youth, representatives of such national agencies and bodies as RGSW (which officially represented the academic community) and KRUP and UKA (non-governmental associations which represented the academic community through the rectors of the best Polish universities, even though they were not legally located in the Polish higher education governance architecture). Also, the Ministry of Science (termed The Committee for Scientific Research, or KBN) was consulted but not heavily involved in the policy design process, following a division of work between the Ministry of Education (including higher

education, responsible for teaching in higher education) and the Ministry of Science (responsible for research in both higher education, for the Polish Academy of Sciences and for research institutes). Other representative bodies (including the association of private sector rectors, Conference of Rectors of Private HEIs (KRUN), Students' Parliament and of industry) were not directly involved in the process, although it would be naïve to believe that they did not try to influence it. No single academic institution, either public or private, was involved; nor were municipalities, local communities, associations of cities, associations for local self-governance involved. Rectors of the private sector, either those associated in KRUN or those not associated, were not involved in the design process. Additionally, parliamentary lawyers and other ministries (through inter-ministerial exchange of views) were heavily involved in the final stages of the design process. They exerted major influence on the final form of the legal document (the amendment to the 1990 law on higher education of 2001), partly changing the desired form of the document, which led to unexpected directions.

Such a broad scope of actors involved must cause some tensions among them. Indeed, smouldering conflicts between two major representative bodies, RGSW and Rectors' Conference of Rectors of Academic HEIs in Poland (KRASP) hampered the process in its initial stage (Antonowicz 2015, pp. 265–270). In fact, all actors involved declared similar goals – to introduce state accreditation and to stop the powerlessness of the state vis-à-vis the private sector – but they held slightly divergent beliefs and interests. The policy design work was preceded by, and then also intensely accompanied by, scholarly discussions in numerous public meetings as well as in the academic press. Deliberative processes of policymaking with various scholars airing their views in the public debate is a long-lasting tradition in Poland. It is a form of self-governance conducted on the system level (Dobbins, 2011). The specific pressure on the final shape of the document was exerted in public by KRUP, or rectors of major public universities: the general approach pushed through the public domain was that KRUP (later called KRASP) was the only academic body which fitted the European landscape. Rectors' influential discourse at the time was that European governance architectures clearly included rectors' conferences and did not include any 'main councils' (like RGSW) often seen as relict of the communist past.

The ministry believed that in the 1995–2001 period the rectors had not done all they could to stop the chaos of multiple employment of their academics. RGSW (or the 'Main Council') in legal terms was much better suited to influence the policy design process, although in practice it was

defending its past role and past inefficiencies, focusing on its institutional survival. The tensions between KRUP (then KRASP) and RGSW were substantial, and the leaders of both institutions were engaged in emotional polemics in the academic press on a daily basis (Antonowicz, 2015). The conflict between two major stakeholders involved in the policy design work had some influence on the course of work but it was clearly not decisive. The ministry and its team preparing the amendment played a key role. It was determined to finalize the reform design and push the amendment through the Parliament. The ministry as the leader in the policy design process had to manoeuvre between the pressure of rectors of public universities (whose support for the reform was crucial) and their own preference to keep RGSW, in a new variant, responsible for the accreditation processes for both sectors. The new variant eventually became a separate State Accreditation Agency, PKA. In short, political wrestling between various actors, who had different ideas about who and how should deal with the problem of quality of education, took more than two years. KRUP was in a position between the rock and a hard place since it wanted at the same time to stop diminishing quality of education yet also to maintain autonomy of universities it represented. These two goals to a large extent contradicted each other. The rectors wanted to take control or at least a leading role in a new accreditation body but the ministry was not fully convinced that leaving a new body (and new tools) in the hands of rectors of public universities was the best approach. Some doubts were raised by a powerful lobby of the private sector (deans, founders and owners) pointing out that accrediting mechanism could easily be instrumentalized by a single party.

Beside the internal issues elaborated above, there was also an important external dimension legitimizing the structural reforms. Discussions about accreditation referred to the European integration and Polish accession to the European Union (EU). Accreditation in general was viewed as a necessary move towards more 'Europeanized' higher education governance. The European context is very important because at approximately the same time (in 2000) the European Association for Quality Assurance in Higher Education (ENQA) was founded, providing legitimacy for establishing similar organizations on national levels. For a country that was just about to close its negotiation deal with the EU and to complete longstanding integration efforts, external legitimacy of political instruments devised did really matter.

Prior to the 2001 amendment to the law on higher education, in 1999–2001, the major stakeholders involved in the construction of the new accreditation agency, PKA, and the formulation of its role in higher

education governance were the ministry, KRUN, or public rector's conference (and its voluntary accreditation arm, UKA) and RGSW. All other stakeholders were involved to a limited degree: students and academics were much more interested in the shape of a possible new comprehensive law on higher education, with its promises of increases in academic salaries, and in the continuation of the option of holding multiple employment in both public and private sectors, than in the seemingly more 'technical' issue of accreditation. Political parties were not directly involved and the political voice of the government was represented by the voice of the ministry. Interestingly, the role of two other institutions was highly important: Parliament, through its Commission on Education and Higher Education, and the Supreme Audit Office (NIK), through its large-scale audits of both private (1999, report 2000, parliamentary discussions about the report 2000) and public (2002) sectors.

While the creation of PKA was not linked to a new full-blown law on higher education (which was all but abandoned in the late 1990s though finally passed in 2005), an amendment to the 1990 law led to a major change in higher education landscape. The goal of this structural reform was to increase the quality of the educational offer of private (as well as public) higher education and to put an end to the *laissez-faire* attitude of the state towards the private sector such typical of the whole period of the 1990s. The policy instruments, although modest in its size and ambitions, were acceptable to all major policy stakeholders and in this sense perfectly fit the purpose.

IMPLEMENTATION

The structural reform was a classic top-down process with the support of main policy actors whose legitimacy was crucial for the implementation process. There is little doubt that universities are strong institutions that (at least in Polish context) can effectively – if pushed to their limits – resist ministerial initiatives (Dobbins, 2015). The actors involved in the implementation process were both PKA and the ministry. The reform was very carefully prepared or even tailor made. The amendment to the law of 2001 and accompanying documents prepared by the end of 2001 were very detailed. The implementers knew exactly what to do, and in this sense they had little room to decide how to implement the structural reform. With the passage of time, new issues were appearing and PKA had more opportunities to decide how to proceed.

PKA was formally established in 2002 (on the basis of amendments to the law of higher education passed by the parliament 20 July 2001), thus PKA could start its operation in 2002, with large-scale accreditation procedures applied to groups of study programmes in individual institutions, both public and private. More specifically, from among 599 candidates to be PKA experts, the (new) minister herself made the choice of 70. The minister called the founding of PKA a ‘historical event’. While the design process of the structural reform took place under a rightist coalition government (Social Movement for Solidarity (AWS)-Freedom Union (UW), 2001), its implementation process started under a new leftist coalition government (Democratic Left Alliance (SLD)-Polish People’s Party (PSL), 2002 and beyond). The reform itself, as an unpoliticized issue in the 1997–2001 period, was not stopped or reversed in 2002, after the new minister took office. The reform indeed continued in the very same direction, with no changes of either its spirit or letter. Until 2005, when a new law on higher education was passed, PKA was operating according to the rules and regulations laid down in 2001.

Academic institutions, both public and private, were involved in the reform as objects of PKA activities: there were initially fears of PKA and its methods of control. Institutions had actually no choice but to cooperate with PKA in seeking accreditation for their study programmes. However, resistance or reluctance could possibly have emerged in two flagship universities, namely Warsaw University and Jagiellonian University. Their aggregated authority in the Polish higher education overshadowed the ministerial power. However, personal engagement of a few highly prominent academics convinced the senates of both universities not to oppose the reforms. There was fear that some conservative groups in the biggest universities might see it as a form of confining their institutional autonomy and oppose the reforms. The key to understand these concerns was the idea of (institutional) autonomy – which was returned to the Polish academe only in 1990 (Popłonkowski, 1996). The approach of some individual academics active in the public sphere at that time was that the state funding of public higher education did not provide a strong enough argument to allow state interference in universities internal affairs – and teaching quality was one of those internal affairs as defined in the 1990 law. Consequently, along this popular way of thinking, both obligatory accreditation and the emergence of PKA went against the university autonomy as defined in 1990. Public and scholarly interventions on the subject referred to ‘mistrust’ to and ‘fear’ of new mechanisms but those are popular ‘buzzwords’ often use to oppose any form of governmental reforms in higher education (Antonowicz, 2015).

Notwithstanding the numerous tensions, none developed onto organized protests, partly also because of wise choice of first two chairmen of PKA. Andrzej Jamiołkowski and Zbigniew Marciniak (and their successors too) were highly respected academics whose professional position and authority provided additional legitimacy to PKA, helping to implement the structural reforms.

Overall, the process of implementation can be seen as rather successful mainly due to clarity of strategic goals, modest policy instruments devised that fit its purpose. It took longer than initially anticipated mostly due to internal struggle between some policy actors. The power struggle remained in the background of the structural reform, but nevertheless implementation processes never take place in social and political vacuum. The process of the creation of PKA and the emergence of the final legal form of state accreditation were inevitably part of a much larger effort to comprehensively transform Polish higher education.

RESULTS AND UNINTENDED EFFECTS

All actors involved in the implementation process believed that state accreditation was the only way out of the current deadlock in which the ministry was powerless vis-à-vis the under-quality segment of the private sector. At the same time, the rules applied to both public and private sectors, and PKA members came from both sectors. In a way it was a symbolic levelling of both sectors, in particular as the PKA teams were composed of representatives of the private sector on equal footing with representatives of the public sector. Despite numerous doubts and criticism as to PKA, state-run and nationwide accreditation was believed to solve one of the major problems of Polish higher education, namely the inability to get rid of sub-quality study programmes, run in illegal locations by unspecified, often unqualified, academic staff. The overarching belief was that the quality of higher education could be regulated, controlled and finally accredited in every Polish institution. After almost 15 years of the implementation of the structural reform, we can say that this goal – to a large extent – was achieved. However, the most visible outcome of structural reforms was establishing an organization responsible for accreditation of programmes in higher education. Furthermore, the ministry managed to provide PKA with not only state's authority but also legitimacy in the academic community. The latter might have been particularly difficult due to lack of trust in the political initiatives and a high level of sensitivity against any form of external

interference in universities. The myth of university as a fully autonomous organization was strongly embedded in the Polish academic community, therefore establishing an external body such as PKA was not welcomed with enthusiasm. In particular, the visits of PKA evaluation teams in higher education institutions might have been taken with concern and even resistance as – for many academics – they might resemble ‘external political control’ of universities which it was not. Additionally, it gave rise to new duties to already overworked academics. Notwithstanding such risks, PKA was established and neither its goals and nor activity has been seriously undermined by any actor in higher education.

After almost 15 years, PKA has earned its place in the landscape of the Polish higher education and what is more important, it has managed to introduce accreditation procedures. That was a novel idea in the sense that it went beyond particular disciplines and was not performed by voluntarily. It has built its own professional administrative staff, and it has developed the assessment procedures necessary to authorize educational programmes in both public and private sector. In this period, PKA has managed to attract a number of professional experts across the field of science whose accumulated knowledge as to quality assessment and development has made vital contributions to maintaining quality standards in higher education. Unintentionally, its role and responsibility is only increasing as the system entered a contraction period (Kwiek, 2013; how contraction may lead to de-privatization of higher education, see Kwiek, 2016b), which put many of private higher education institutions on the verge of bankruptcy. In such a critical situation the temptation for higher education institutions to compromise quality of education in order to stay in the business is higher than ever before. PKA performs an important but difficult role to prevent such practices, which not only take advantage of naive students but also undermine overall public trust in the entire system.

Finally, the issue of quality of education slowly but gradually earned its position in higher education policy, a position it doubtlessly deserves. Consequently, many private higher education institutions now not only provide more education, increasing system capacity but also different and even better education than many public competitors. The private sector succeeded in excellence programmes conducted by the ministry, standing out as highly innovative in engaging external stakeholders to match programmes with the needs of labour market. Several bachelor and master programmes run by private higher education institutions were awarded by PKA ‘excellent’ status which sets new (quality) trends in the competition for students. Although some of those changes can be caused

by the invisible hand of the market, the impact of PKA's visible hand must not be underestimated.

However, the structural reform also produced some side effects which should be taken into consideration when discussing its impact on the Polish higher education. There is a growing feeling that the process of quality assessment has been largely trapped into a bureaucratic corset and that it has lost its focus on actually the quality of education. In interviews conducted for this study, we found that the assessment procedures are too formal; focused on bureaucratic details rather than teaching provided in institutions. There is too much importance attached to 'window dressing', formal requirements, documents, reports and too little attention to real evaluation of the process. The bureaucratization process has been widely criticized but paradoxically it appears to be much safer and predictable option for both PKA and higher education institutions. It secures PKA decision based on documents provided, which are hardly ever undermined in the appeals process (e.g. in court), while higher education institutions have learned how to produce the right format of documents to satisfy requirements of PKA. It remains unclear if such a course of development could be predicted at the beginning of the process and possibly limited if not prevented. Implementation of the reforms is always a combination of various factors, including many beyond control of reformers, such as style of leadership of PKA. The presidents of PKA and chairs of teams have some degree of autonomy and this also builds strong capacity to influence organization and style of assessment conducted. Having said so, we lean to the conclusion that parts of blame of bureaucratization rests upon inaccurate communication between the ministers and the authorities of PKA in last couple of years that resulted in the means being gradually transferred to the ends.

The growing role of formal aspect of evaluation in the assessment procedure created a market for professional supply of ready-to-use documents that can easily satisfy requirements of PKA evaluators, regardless of the actual quality of education. In the interviews that facilitated this study, we have been informed that there are private higher education institutions that purchase such services. Such decoupling of assessment process from the education process might be the largest side effect, and it posits a great challenge for coming years. In our view, it is up to the authorities of PKA to change the style of assessment, rather than an issue of adapting legislation. The structural reform reaches a critical period in which its long-term goals can be misled and undermined by the old foe of bureaucratic drift.

Nevertheless, without any doubt the structural reforms that produced the new accreditation culture designed to be used by PKA should be seen in a positive prism. Through a new body, the higher education system as a whole came under much closer state scrutiny and also it became publically accountable. This applied equally to both sectors, although the private sector – due its inclination to compromise quality of education – remains in the spotlight. In addition, the labour market received a signal that teaching quality has become an important issue for public authorities. Also, the private sector got the positive impulse that the state supports excellence in teaching quality, regardless of the sector of higher education. Last but not the least, the focus of academics from the public sector could be gradually redirected towards their original public institutions, and they would have more time and more energy for research activities.

CONCLUSIONS

The reform which is generally seen as a success story could be implemented mostly because of widespread understanding that the issue of quality of education should be addressed on policy level. The government was aware of several parallel processes, with powerful negative consequences for the higher education system as a whole, for the labour market and for the value of higher education credentials, for students enrolled in the private sector, for academics from the public sector holding multiple (full-time) employment and for national research output. These processes were highly inter-linked and one of the ways to solve the problem of the unregulated privates with so many parallel negative consequences was to focus on quality assurance. The scale of irregularities and their media coverage, combined with pressures to Europeanize higher education in the late 1990s, led to a social and political change of mood. The creation of PKA became finally possible and the private sector came under (some, still rather weak) state control.

The widespread understanding of inevitability of establishing a body that would curb uncontrolled expansion of fee-based programmes in (mostly private) higher education that provide dubious quality was widespread not only among policy actors but also among politicians. So the reforms were not politicized by the political parties, neither in the Parliament and its Commission on Education, Science and Youth nor outside in the national political discourse. Furthermore, the reform came to the fore at the right time as it linked into wider process of Europeanization

and there were ongoing efforts to negotiate efficiently, with intentions to close all chapters of the EU accession negotiations. There is no doubt that it helped to build consensus and the depoliticization of the reform was one of its key success factors.

NOTE

1. To avoid confusion, PKA was initially named ‘State Accreditation Committee’ but in 2011 it was renamed to Polish Accreditation Committee, although in Polish the abbreviation remains the same (PKA).

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PART II

Vertical Differentiation Processes

The Danish UNIK Initiative: An NPM-Inspired Mechanism to Steer Higher Education

Kaare Aagaard and Harry de Boer

INTRODUCTION

This chapter presents an analysis of the Danish UNIK initiative ‘Investment Capital for University Research’ (‘Universitetsforskningens Investeringskapital’) established in 2007 and implemented from 2009 to 2014. Specific funding for the UNIK initiative was provided through the Danish Finance Acts of 2008 and 2009, amounting to DKK 480 million (€64 million). The UNIK initiative was introduced as a new research funding mechanism aiming to strengthen the strategic steering capacity of the Danish universities. The initiative offered competitive funding to

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encourage Danish universities, *as institutions*, to strengthen their strategic efforts to prioritise research and to create a distinctive research profile. The idea was to fund a limited number of centres of excellence (CoE), based on proposals submitted by university management. The latter was novel in the Danish higher education (HE) system where almost all other project funding mechanisms are based on proposals from individual researchers or research groups. This new approach fits the logics of New Public Management (NPM), which favours, among other things, strong organisational management and competitive, market-based instruments, but stands in contrast to the traditional ways of funding research as well as the traditional notions of university organisation.

The analysis examines the background of the reform, how it was designed and implemented and to what extent the objectives of the initiative have been achieved. First, however, we will outline the main characteristics of the Danish HE system with a specific emphasis on recent reforms that have amplified the tension between increased competition for project funding and growing demands of strategic steering at the institutional level. Then, the design and the implementation processes of the UNIK initiative are described and analysed, followed by a discussion of the outcomes of the initiative. In the final section of the chapter, we discuss why the initiative has been discontinued after 2014 in spite of positive evaluations. Moreover, we will position the UNIK initiative by addressing NPM and its tensions with traditional characteristics of universities in continental Europe. The UNIK initiative, directed towards ‘collective’ funding (a grant for the university) instead of ‘individual’ funding (a grant for researchers), lies in the heart of this area of tension.

THE DANISH HE SYSTEM

The Danish HE system is organised as a binary system consisting of eight research universities on the one side and a number of non-research-based HE institutions such as university colleges (‘Professionshøjskoler’, offering professionally oriented first cycle degree programmes) and academies of professional HE (‘Erhvervsakademier’, offering professionally oriented first cycle degree programmes) on the other. While the Danish HE system as a whole has undergone profound changes since the turn of the millennium, the remainder of this chapter will focus on the reforms targeting the research oriented university system only.

Danish research policy has historically been characterised by pragmatism, consensus and a strong academic orientation. Up until the turn of the

millennium, most ‘modern’ transnational research policy ideas were thus implemented in rather ‘soft’ forms and always counterbalanced with traditional academic values. However, after a change of government in 2001, a sweeping reform process started with the aim to transform Danish universities into key players in the global knowledge economy. As the result of that several new policies have been introduced, making Denmark one of the most reform intensive European countries from a research policy perspective (Aagaard and Mejlgaard, 2012). Increased competition for funding and students, higher degrees of accountability, more comprehensive evaluation activity, strengthened institutional strategic capacity and more focus on responsiveness and social responsibility were seen by the government as some of the essential means to reach this objective. Four elements in this wave of reforms can be seen as constituting the basis of the UNIK initiative.

First, a new University Act from 2003 substantially changed the governance structure of the Danish universities. It introduced governing boards with a majority of external members as the university’s superior authority and abolished the ‘*primus inter pares*’ model by requiring appointed university leaders at all levels of the institutions instead of elected. The objective was to accentuate the profiles of the individual institutions, to professionalise and empower managerial structures and to increase collaboration between research and innovation activities. The new Act also emphasised that the central management units of the universities should make strategic choices of research areas (Aagaard and Mejlgaard, 2012). In most universities, the new appointed leaders were in place by 2006.

Second, the funding system was changed substantially through various measures and developments. One of the government’s main contentions was that there was too little competition for research funding. In response to this, a number of new research funding councils were established. Generally, the overall changes in the funding system in this period were characterised by three shifts: from stable basic funding towards competitive research funding, from curiosity-driven research towards strategic research and from the funding of many small projects towards fewer and larger projects (Aagaard, 2011). Concerning the latter, Denmark has been a front runner with regard to large scale research excellence initiatives for more than two decades. Since 1993, close to 100 CoE have been funded by the Danish National Research Foundation (DNRF), which recently has received a very positive evaluation (Danish Agency for Science, Technology and Innovation, 2013). More recently, the Danish Council for Strategic Research began funding for so-called Strategic Research Centres and also

initiated Strategic Platforms for Innovation and Research (SPIR), funded jointly with the Danish Council for Technology and Innovation. In addition several private foundations have started to fund CoE at universities. Particularly since 2006, these changes were accompanied by a significant increase in total public R&D investments.

Third, while some of the changes in the funding systems were initiated in 2003, they were all considerably strengthened as a result of the comprehensive Danish Globalisation Strategy, presented in 2006 (The Danish Government, 2006a, b). The work on the Globalisation Strategy took its departure when a number of ambitious overall policy objectives were presented in a so-called government platform following the 2005 election (Danish Government 2005c). In this document, the government announced that it planned to draw up an ambitious, holistic and multi-year strategy to make Denmark a leading growth, knowledge and entrepreneurial society. As a follow-up, the government appointed a Globalisation Council with broad representation from relevant sectors of society to assist a minister committee in formulating an ambitious new strategy. The result of this process, the final Globalisation Strategy '*Denmark in the global economy – Progress, Innovation and Cohesion*' (Danish Government 2006a, b), was presented in March 2006. The strategy contains no less than 350 specific initiatives, which together entail extensive reforms of education and research and substantial changes in the framework conditions for growth and innovation in all areas of society.

Concerning research, a central objective of the governmental strategy was that total Danish R&D investments should amount to 3 % of gross domestic product (GDP) by 2010 (with the public funding constituting 1 %). The government also made it very clear that this increase in funding should be linked to fundamental changes of the research funding system. It was accordingly argued that: '*it is essential to get value for money. Consequently, there is need for a sweeping reform of public sector research. Increased competition will ensure that the funds go to the best researchers and the best research environments*' (The Danish Government, 2006a, b). Along these lines, it was also argued in the Globalisation Strategy that the distribution of basic funding at universities fails to reward high quality and that there is a lack of systematic testing of the quality of the research programmes and their relevance to society. According to the strategy, there was a need to further develop universities in which quality and relevance are the key sustaining principles. As concrete strategic goals it was stated that: '*Research should be innovative and its quality comparable*

to world top performers and that Denmark should be a top performer in turning research results into new technologies, processes, goods and services'. Along the same lines, it was stated that Denmark should have top-level universities; universities with strong academic environments that retain and attract talented students and researchers, and which provides the foundation for a dynamic development in society.

Fourth, the new governance system, the changes in the funding system and the Globalisation Strategy created a 'window of opportunity' for the next major structural reform (Aagaard et al., 2016). In 2007, the government launched a far-reaching merger process, which reduced the number of universities from 12 to 8 and transferred 12 out of 15 government research institutes (GRIs) to the eight remaining universities. The result was a large concentration of resources within a limited number of institutions. Today the three largest universities, University of Copenhagen, Aarhus University and the Technical University of Denmark, receive close to two thirds of the public research funding. In addition, the reform represented a clear break with the former division of labour between academic research and more applied GRI research (Aagaard, 2011).

Together these waves of reform have amplified the tension between increased competition for project funding and the demand for strengthened central steering of the universities. While the university Act and the mergers aimed to strengthen the universities' autonomy and their capacity for strategic decision-making at a central level, the increased reliance on external funding targeting individual researchers or research groups have at the same time threatened to undermine the possibilities for the universities to act strategically. During this period, it has been argued repeatedly by many stakeholders as well as by the universities themselves that an increasing proportion of individually oriented grants limits the possibilities of long-term planning for the HE institutions and force them to focus on areas where funding is available rather than on areas where the institutions have high competence. With shrinking institutional funding and more funding allocated under competition, it is argued that the strategic decisions on where and how to spend research funding thus increasingly is taken outside of the institutions. This is displacing the decision-making capacity from university leaders towards the political system and the research councils. According to the critics, the majority of the changes in the funding system which have taken place during the latest decade have thus de facto limited the space for university management in their research priority-setting capacity.

THE DESIGN AND IMPLEMENTATION PROCESS OF THE UNIK INITIATIVE

The tension between the aim to increase the strategic capacity of the universities on the one hand and the political wish to allocate a larger share of the research funding through competitive channels on the other has been a long-standing issue in the Danish research policy debate. However, as outlined above, the discussion has received increased attention in continuation of the University Act of 2003 which aimed to strengthen the central steering- and priority-setting capacity of the universities and as a result of the changes in the funding system.

The specific agenda-setting phase leading to the UNIK initiative was initiated when the Danish Academy of the Technical Sciences (ATV) presented a proposal to a new funding mechanism in June 2005. The proposal had three main aims: to strengthen the ability of university management to make strategic prioritisations of the research activities *within* the institutions; to allocate funding *between* the universities exclusively based on quality criteria (disregarding thematic and regional considerations); and to strengthen the collaboration and division of labour between the universities (ATV, 2005, p. 32). These aims were to be achieved by allocating funding directly to university management rather than to individual researchers. ATV proposed that the funding should be allocated for at least five years but with the possibility of continuation for an additional five years.

The proposal was subsequently picked up by the government and channelled into the work of the newly established Globalisation Council. The Council had 26 permanent members: 21 high-level representatives and 5 key ministers, including the Prime Minister (chairman) and the Minister for Economic and Business Affairs (deputy chairman). The Globalisation Council held 14 meetings of which four were directly concerned with the university sector. The main meeting concerning the governance and funding of public research took place in December 2005. In one of the background reports to this meeting, prepared by the ‘Secretariat of the Minister committee for Denmark in the global economy’, a proposal with clear similarities with the ATV model was outlined (Danish Government 2005b). Under the headline: ‘A new model for competition between universities’ the report stated that:

‘Today, virtually all research funds that are distributed according to an open competitive process are awarded to individual researchers and research groups. As a consequence, research risks becoming dispersed and disconnected from

the universities' strategy for their research. Therefore, a proportion of the funds available in the future should be allocated in competition between universities. Each university's management should be required to take part in a competitive bidding process in which they submit proposals for large-scale, long-term research projects. The proposals should be evaluated on the basis of their quality and relevance'.

This formulation from the background report went straight into the final Globalisation Strategy.

The subsequent agenda-setting phase and the first steps of the policy design phase are an example of the rather strong Danish tradition of consensual decision-making within the HE area, with involvement of many stakeholders, including political parties, and intense exchanges of opinions.

In continuation of the Globalisation Strategy, the Danish Ministry of Science, Technology and Innovation was tasked with transforming the overall description of the UNIK initiative into an operative funding mechanism. With inspiration from the ATV model, the ministry started negotiating with central stakeholders. One of the most important of these, The Confederation of the Danish Universities, agreed with the need for a new funding model in order to strengthen the strategic capacity of the universities, but it was not in favour of the model outlined in the Globalisation Strategy. The Confederation was instead proposing two alternative models. The first model suggested to use the so-called Development Contracts as a tool for allocating funding based on the strategies of the universities. The second model suggested to establish a more permanent pool of funding available for the universities to strategic priority setting (Rektorkollegiet, 2006a, b). The Confederation of the Danish Universities was, however, not able to convince the Ministry to change the overall outline of the initiative. The Ministry also consulted DNRF, The Danish Council of Independent Research (DFR) and the Coordination Committee for Research in the design process of the initiative. These councils and foundations were in particular involved in developing the evaluation criteria and the appointments of an international expert group (Danish Agency for Science, Technology and Innovation (2007b).

A final model was presented during the summer of 2007. The model was more detailed than the formulation in the Globalisation Strategy, but did not significantly differ from the principles outlined before. It did, however, differ from the initial ATV model in a few important respects. First, the ambition of strengthening collaboration between Danish institutions was no longer

present. Second, the duration of the initiative was limited to five years. The political agreements establishing the UNIK initiative were promulgated in the subsequent Danish Finance Act for the year 2007. The act stated that UNIK funding could be awarded to basic as well as applied research and to all thematic research areas. The funding should award excellent, dynamic and closely coordinated research frameworks that involve interrelated research activities or sub-themes in a prospective field of research.

A call for proposals was announced on 15 October 2007 with a deadline for applications by the Danish universities of 1 April 2008. In order to secure reasonable success rates and to force university management to make strategic selections among the potential projects of each institution, a maximum number of proposals to be submitted were dictated from the ministry and were based on the size of each individual university. Altogether, the 8 universities were allowed to submit 31 proposals. After the deadline, 28 proposals had been submitted by the Danish universities. An expert panel subsequently appointed four reviewers for each proposal. The expert panel consisted of 11 international professors with no direct relations to the Danish universities and came to play a central role in the implementation of the initiative – not only regarding the allocation of the funding, but also throughout the project period.

The 28 proposals were then reviewed and prioritised before three rounds of consultations were carried out with the applicants (OECD, 2014). While it was initially signalled by the ministry that five to eight large projects would be funded, it turned out that only four projects at three different universities were selected and would receive a grant to establish a CoE. The successful proposals came from the three most research intensive Danish universities and resulted in two UNIK centres at Copenhagen University, one at Aarhus University and one at the Technical University of Denmark. The universities received approximately DKK 120 million for each of the four centres to cover funding from 2009 to 2014. A conditional grant agreement was signed in January 2009. Once allocated, the funding could be used as freely as basic funding as long as it was spent in accordance with the overall project plan (Danish Agency for Science, Technology and Innovation, 2007a).

THE OUTCOME OF THE UNIK INITIATIVE

In this section we examine the short-term outcome of the UNIK initiative based on several sources of information: interviews and document analysis carried out by the authors, a midterm as well as a final evaluation carried out

by the international expert panel (based on their annual site visits), and finally an end evaluation carried out by the Danish Consultancy house, Iris Group, on behalf of the ministry (Iris Group, 2015). The impact (the long-term effect) of the initiative will be discussed in the final section of the chapter. In both sections we distinguish between outcomes of the UNIK initiative at three levels: the outcome directly linked to the research activities, the outcome related to the organisation and steering of the universities and the outcome at the systemic level. The main conclusions concerning the short-term outcomes at these three levels are summarised in the following subsections.

The Effects of the UNIK Initiative on the Research Activities

Based on the assessment from the available sources mentioned, the results of the research activities associated with the UNIK initiative must be characterised as highly positive. The expert panel, for instance, states that the four UNIK centres have excelled in both quantity and quality in a wide range of parameters such as novel approaches, high-quality research, internationalisation and promotion of cross-disciplinary research. According to the expert panel, the financial foundation and instrumental flexibility provided by the UNIK grants have underpinned excellent research activities, new cross-departmental synergies and played a markedly role in profiling and promoting the supported research agendas both externally and internally.

Similarly, the evaluation carried out by Iris Group concludes that UNIK has been highly successful in terms of creating a basis for novel, groundbreaking, interdisciplinary research with a focus on grand societal challenges. Furthermore, the Iris Group evaluation indicates that UNIK fostered scientific results that would not easily have emerged through other instruments of research funding. This evaluation also emphasises an enhanced international exposure as a positive effect, which has given access to international networks. Finally, it is also underlined by both evaluations that the UNIK initiative has boosted the growth layer of young researchers within the research areas of the initiatives.

With regard to the overall conclusions about the research activities, a few caveats are, however, mentioned as well. First, while flexibility is considered to be a true strength of the funding scheme, this also constitutes a challenge to reach generic conclusions for the initiative as a whole, as the involved research activities have been very diverse. This challenge was further strengthened by the special, cross-disciplinary nature of the

initiatives, which meant that it was difficult to make any comparative assessments of the impact compared to a scenario where the grants would have been allocated to the involved researchers and teams in a more conventional way.

Second, in spite of the overall positive assessments of the research activities, the expert panel as well as Iris Group argues that the funding period of five years is a weak point of UNIK initiative. Cross-disciplinary collaborations could have benefited much more if more time was given to establish a common ground and to develop the synergies even further under the ‘protection’ of a UNIK grant. Furthermore, in the case of UNIK it seems to have been a challenge for some of the initiatives to make proper use of the grants within the relatively short funding period. In the future, it should therefore according to the panel be considered to widen the format of the funding period where the initiatives as a standard practice can be granted a prolonged funding period after the five-year evaluation (Danish Agency for Science, Technology and Innovation, 2015).

According to the evaluations, the relatively short duration also has consequences for the embedment. The general agreements of the UNIK initiative stated that: *‘After the end of the funding period, the Applicant is expected to be responsible for ensuring that ‘the successful parts’ of the initiative are embedded in the university’s activities and ordinary budget. Generally, ‘the successful parts’ are expected to comprise all parts of the initiative. This means that only failed or pointless activities are not expected to be carried out’*. The evaluation reports question whether this will be the case. While they recognise that one size does not fit all, and see it as natural that the UNIK’s have been embedded in various ways at their host universities, they also state that it is uncertain whether all the initiatives will sustain as top research environments without the funding from UNIK. This is in particular a matter of concern reported by the international expert panel that believes that it is a shared responsibility of the researchers involved and the management at the host universities to find a solution that will secure the successful outcome of the UNIK’s in a long-term perspective (Danish Agency for Science, Technology and Innovation, 2015).

The Effects of the UNIK Initiative at the Institutional Level

Also at the institutional level, the short-term effects of UNIK initiative are highlighted as positive by the evaluations. As described above, the UNIK initiative was designed to be as flexible as possible for the universities

in order to pave the way for pioneering scientific breakthroughs. The number of prescriptive elements in the call text and the funding agreements were kept to a minimum. This allowed each UNIK to take different paths in terms of organisation, embedment and strategic targets (Danish Agency for Science, Technology and Innovation, 2015). In spite of this diversity, a number of cross-cutting conclusions are brought forward in the evaluations.

The international expert panel states that the UNIK initiative paved the way for professionalisation and advancement of the research management at the host universities, leading the initiatives to be platforms for strategic planning and attraction of third-party funding. In relation to this, it is highlighted that the initiative has provided the right amount of trust and instrumental flexibility to allow for the individual initiatives to adapt and to structure the organisation in accordance with their ambitious strategies and the main principles of UNIK. The UNIK initiative has had a substantial organisational impact on the host institutions. It has also contributed to forming new synergies by encouraging the universities to prioritise their research agendas and it has secured continuity and progress in the initiatives by tying the funding to the initiative instead of to the researcher.

The Iris Group evaluation has brought forward similar conclusions. The UNIK initiative has been instrumental in strengthening the institutional coherence and capacity of the host universities. It has strengthened academic leadership and the administrative capacity to work with large, complex, interdisciplinary research programmes. Similarly, the UNIK initiative has helped to better focus the research strategies at the institutional level, as it provided a competitive, ‘high-risk-high-gain’ arena in which the universities were compelled to focus on their excellent, interdisciplinary research spearheads.

Along the same lines both evaluations argued that for the three universities that all underwent mergers at the same time, the UNIK initiative helped to bridge organisational, cultural and academic gaps between research environments. In this way, the UNIK instrument has not only fostered new funding but it has also been a bridging factor in its own (Danish Agency for Science, Technology and Innovation, 2015). Additionally, the international panel argues that the UNIK initiative has had an effect on the culture and organisation of the universities and has inspired new forms of organisation with a focus on cross-disciplinary cooperation.

The Effects of the UNIK Initiative at the Systemic Level

The assessments are also largely positive with regard to the outcome of the UNIK initiative at the system level. The UNIK initiative has contributed to reaching the 1 % of GDP research funding goal by allocating additional resources to the universities and has most likely also contributed to enhancing the quality and international competitiveness of the selected institutions. It is, however, important to emphasise that the UNIK initiative in itself has only played a minor role in the overall development due to its marginal size in the greater picture. The funding allocated to the UNIK initiative during the five-year period amounts to approximately 0.5 % of the total public funding for research during the same period. While the UNIK initiative appears to have supported most of the strategic goals of the Globalisation Strategy, it has accordingly not had sufficient size to fundamentally influence the overall performance or the general structural characteristics of the system in significant way. Nevertheless, the UNIK initiative has contributed to a larger degree of vertical differentiation in the system as only the three largest and strongest research universities benefited from the funding. It can be argued that from the outset the design of the model favoured the large, research intensive universities at the expense of the smaller universities. Vertical differentiation, however, was never formulated as an explicit goal associated with the UNIK initiative.

Despite the limited size, the evaluations report that the UNIK initiative addressed a gap in the existing Danish research funding system, which no other public or private research grants currently fill. In some instances, the UNIK initiative bridged smaller, novel science projects, currently addressed through the Danish Council for Independent Research, and large-scale, excellence-driven research programmes, for example, funded by the DNRF, the European Research Council (ERC) or private grants. Moreover, according to the IRIS group evaluation some UNIKs functioned as a cross-disciplinary superstructure on top of existing (or former) CoEs.

At the system level, as a point of concern, it has been argued that the UNIK initiative has created a disincentive for Danish universities to join forces in an attempt to strengthen the quality and internationalisation of their research efforts. The UNIK initiative hampered collaboration between the strongest environments across the universities. Finally, it has also been reported in the evaluations that the UNIK initiative has favoured the natural, technical and medical sciences at the expense of the humanities and the social sciences, mainly due to the size of the grants (Danish Agency for Science, Technology and Innovation, 2010).

DISCUSSION AND CONCLUSION

The UNIK initiative has been terminated and there are no signals at the time of writing this chapter indicating that it will be brought to life again in the near future. In spite of the positive evaluations, the UNIK initiative will thus most likely remain a one-off experiment in the Danish system. In this concluding section we discuss a number of possible explanations of this apparent paradox: Why has the UNIK initiative, in many ways seen as successful, not been prolonged? Why discard an instrument that has the potential to generate long-term positive outcomes at the research, the institutional and the systemic level?

As indicated above, the reason is clearly not that the initiative has failed in terms of reaching the stated objectives. The two evaluations carried out in 2015 both support the overall view that the UNIK initiative has been a success in terms of achieving most of its short-term goals. Both evaluations are highly positive in their assessments of the initiative, not only regarding the research activities associated with the funding but also in terms of the ability of the initiative to strengthen the strategic management practices at the institutional level of the universities. Positive results are also observed at the systemic level, even if these results have been marginal in the overall picture due to the limited size of the UNIK initiative (as it was part of a much larger reform package). Furthermore, there also appears to be general agreement and consensus about the conclusions of the two evaluations among central stakeholders, even from actors that initially were not particularly supportive to the initiative.

With regard to the outcomes of the initiative, it is interesting to notice that the factor highlighted in the evaluations as one of the most significant strengths of the initiative, that is the fostering of groundbreaking cross-disciplinary research, was not an explicit goal of the initiative from the outset. The international expert panel for instance states that: *‘One of the most remarkable general results achieved by the UNIK-initiative is the amount of high quality cross-disciplinary research. The UNIK-grants have laid the ground for many multifaceted and holistic research projects with participation of researchers from various scientific backgrounds. This has been the rule rather than the exception across the UNIKs’*. The UNIK initiative has succeeded where many other research programmes have failed: to generate cross-disciplinary science on sciences own conditions. However, the call for proposals did not require cross-disciplinary collaboration and this objective was neither mentioned in the first discussions

arguing for the establishment of the UNIK initiative. The most successful outcome of the UNIK initiative must thus be characterised as a positive side effect rather than an intended result.

The termination of the UNIK initiative seems neither to be a consequence of conflictual decision-making, goal ambiguity or poor implementation processes. On the contrary, the UNIK initiative has been characterised by its consensus-based decision-making process with the inclusion and consultation of many stakeholders, its relatively clear goals and a proper implementation. Two of the most self-evident explanations for closing down this initiative can thus be ruled out. The UNIK initiative was neither terminated as a consequence of lack of results nor as the result of flaws in the decision, design and implementation processes. There are, however, a few other possible reasons for the discontinuation of this instrument, which we will discuss in the following.

First, one could argue that once the (short-term) goals of the UNIK initiative were reached there was no need for continuation. The problem has been solved and as the result of that the discontinuation seems to be a decision that makes sense. However, this explanation is not really convincing. The problem does not seem to be solved. Although the short-term objectives were achieved, the more fundamental tension between a demand for strategic, institutional steering on the one side and the increasing share of project funding targeting individual researchers on the other appears to be at least as pronounced today as when the UNIK initiative was launched. We will return to this tension in our final reflections.

Second, another and more likely (partial) explanation could be that no actors within the HE-system have gained a real ownership over the UNIK model. It was clear from the outset that the UNIK initiative was conceived and pushed through by actors from *outside* of the HE-sector. The policy entrepreneurs did not come from the HE-sector, while the sector had to make it into a success. The universities, the academic communities and the funding organisations have not shown strong support for the initiative and certainly did not claim ownership.

Third, and related to the second point, is that a limited number of universities have received funding, 'the usual suspects'. The Matthew effect seems to apply here. Funding four out of 28 proposals and the resulting 'inequality' means that many universities were disappointed by the outcome of the process. It is therefore no surprise that the Rectors Conference, representing all the Danish universities, has not been in full support of the UNIK model.

Fourth, what might be seen as a flaw in the design is that the initiative was administered directly by the ministry. Rather than being integrated in the existing funding system, the UNIK initiative was accordingly institutionalised as an independent ‘add-on’ initiative with weak ties to the already existing funding bodies.

In short, while there has not been serious resistance or strong opposition to the UNIK initiative at any point in the process, neither has there been anyone within the sector strongly supporting it. While it may not be a surprise that the HE sector (universities, academic communities and funding organisations) has not been very vocal in advocating a continuation of the initiative, it is surprising that no parts of the political system or the broader circle of stakeholders have advocated the continuation of the initiative. This lack of support from outside the HE sector is probably due to the changing circumstances, which offers a fifth explanation why the initiative, successful at the face of it, will not be continued.

The UNIK initiative was designed in a situation where significant research budgets were available as a result of the Globalisation Strategy. This situation has changed dramatically as the contemporary funding discussion has turned into a zero sum game – or worse. Continuation of the UNIK initiative would go at the expense of other research funding components. Lack of sufficient resources, or the political will to make them available, could be a reason for discontinuation. The general perception within the political system seems to be that funding of large-scale CoE should be covered by the universities themselves or by the DNRF. The DNRF, however, supports excellent research by funding individual researchers (and not universities) with research grants. This brings us to the concluding discussion of this Danish structural reform case.

As a possible alternative explanation for the discontinuation, we would like to point to the goals and design of the UNIK initiative, which fit the logic of NPM but lead to tensions with other institutional logics in HE. NPM is more than just a fad and although it is often referred to as a ‘shopping basket’, indicating the various variants and interpretations of the approach (e.g. Hood, 1991), it has certainly left clear footprints on the organisation of public sectors, including Danish HE. Regardless of the different interpretations of NPM (in different countries or in different sectors), a few common aspects can be detected. First, in European HE, NPM has inspired policymakers at national and institutional level to advocate the establishment of universities as ‘corporate’ or ‘strategic actors’ (Enders 2000; de Boer et al., 2007; Krücken and Meier 2006).

They have thus challenged the traditional characteristics of the university, with its fragmented power structures, bottom-heaviness, collegial and garbage can decision cultures, and, consequently, its low potency for collective action (Clark 1983). In universities, it were ‘the academic professionals who acted, rather than the university as an organization’ (De Boer et al., 2007, p. 30). The university as a more autonomous and ‘complete’ organisation, with strong executive leadership to overcome internal fragmentation and academic ‘multi-vocalism’, would, according to NPM proponents, better serve society’s needs.

Second, NPM proponents argue that service production and delivery should be conducted in a market-like way (e.g. Hood 1991; Pierre and Peters 2000). For a long time, universities have not been perceived as organisations competing for resources (students, staff and research), but in a changing environment that stresses competition – due to a changed dominant ideology of the state to organise its public sectors (NPM) and developments such as globalisation – collective action as a university and strategic priority setting to define the university’s competitive edges have gained prominence.

The Danish government’s initiative to strengthen the position of the leadership at Danish universities through a competitive funding scheme, with the ultimate objective to encourage research excellence and to enhance vertical system differentiation, perfectly matches the NPM aspects described above: empowering strong executive leadership in a competitive setting. At the same time, we can observe other developments in the funding of research that weaken the potential for strong executive university leadership. In Denmark as well as in many other countries, most competitive funding schemes for research award grants to individual researchers or groups of researchers, sometimes at the expense of lump sums allocated to universities as a whole. In Denmark, for example, a main aim in the Globalisation Strategy was to move from a 65–35 balance between institutional funding and competitive funding towards a 50–50 balance. The vast majority of the increase in the competitive funding should be allocated as traditional ‘individual’ grants. Such ‘individual’ grants, be it ERC grants or other project-based funding for individual academics or networks, provide academics a new power base that possibly undermines the central steering capacity of the universities. Stronger

dependence of universities on competitive funding directed to individuals or groups may thus restrengthen the traditional characteristics of universities and maintain or restore loosely coupled systems.

Thus, after all, the UNIK initiative, most strongly supported from outside the HE sector, does not seem to fit the existing institutions in HE, such as research funding schemes based on individual footing, and therefore lacks the support that is needed for making it a lasting success. Furthermore, one of the true strengths of the UNIK initiative, its ability to foster real cross-disciplinary research, is simultaneously a challenge to the traditional disciplinary structures of the research system. In contrast to the UNIK initiative, research funding schemes that allocate grants to individuals match well with traditional academic belief systems. They provide academics with a large control over their own work and place them firmly in the driver's seat. This might seriously challenge university management. If strengthening central level management has been one of the objectives of the government, then discontinuation of the UNIK initiative seems to be a missed opportunity.

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France: Initiatives for Excellence

Emmanuel Boudard and Don F. Westerheijden

INTRODUCTION

France's higher education institutions hardly appeared in the first global university ranking, the 2003 Shanghai Ranking. This 'Shanghai shock', a term apparently coined by Dobbins (2012), was a prime occasion for the reforms in this case study, as it came at a time when the Bologna Process was already leading to changes. The aim of the chapter is to study the structural reforms in France with relevant conclusions regarding their design, implementation and evaluation, from the point of view of changing principles of governance: why and how did actors adopt new principles of action?

France may have been a prime example of a state applying the rule of law ever since the republic stabilised on the principle of *égalité*, that is, at least since the establishment of the Fifth Republic in 1959 and in some sense as far

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back as the 1789 Révolution. In the area of higher education, Neave (1994, 1995) applied the term of ‘legal homogeneity’ to the higher education policies in many European countries, France definitely included among them, that characterised the welfare state: equal treatment of all higher education institutions each in their own legally defined classes of universities, *grandes écoles*, etc., mitigating or even denying differences in qualities among them. Access to ever larger percentages of age cohorts and regional equality of higher education provision were associated characteristics of such policies. In the view of Neave and Van Vught (1991), legal homogeneity was associated with the state control model of governing the higher education sector – another characteristic of France higher education until the turn of the millennium. In that respect, France maintained a governance model that was being replaced by diverse versions of ‘new public management’ approaches as in many other European countries, following the British and US examples of the neo-liberal turn in the late 1970s (Paradeise et al., 2009; Pollitt and Bouckaert, 2011). This is not to say that higher education in France was not modernised in the decades before 2000, but the main regulatory framework remained that of the Loi Faure of 1968, that is, a law in the *étatist* French tradition, although it introduced more democratic governance within the higher education institutions following the events of May 1968.

According to Neave (2012), with advent of the new type of system governance, that is, the evaluative state, the principle of legal homogeneity was replaced by a new principle, *evaluative homogeneity*. Evaluative homogeneity relinquishes the idea of equality among universities but reinforces the idea of equal treatment especially regarding the ways in which institutions are evaluated for quality. Translating the global neo-liberal trend prevalent at the time, *égalité* of outcomes is replaced by *égalité* of opportunity (Bleiklie, 1998; Espinoza, 2007; Ferlie et al., 2008). Equally applied procedures of evaluation of the merit (ex ante of plans and ex post of performances) supersede previous equality of universities by definition. As usual (at least in France), however, old policy principles were not discarded, but a new sedimentary layer overlays the old one, changing the look of the landscape. Thus, in France, competition for funds under the new regime complements the centralised blueprint distribution models of funding. The roles of actors in the higher education system nevertheless changed significantly through the addition of the new policy principles; the national ministry no longer controls everything beforehand from a Foucaultian *panopticon*, but leaves more room for initiative to local managers (Gane, 2012) – indeed,

the spreading use of the term ‘manager’ symbolises the changed roles and attitudes of university presidents from hardly more than academic figureheads to organisational leaders. Their use of the increased institutional autonomy (*liberté*) is, however, centrally controlled through evaluation because ‘[i]n neoliberalism the patterning of power is established on contract, which in turn is premised upon a need for compliance, monitoring, and accountability’ (Olssen and Peters, 2005).

Intermingling some French terms into the previous paragraphs was meant to show that modern political developments hark back to French traditions. Therefore, France might have adopted New Public Management principles and evaluative homogeneity at an early stage. Central questions in this chapter then become how and why the ministry and local institutional leadership changed their behavioural principle from legal homogeneity to evaluative homogeneity only after the turn of the century?

After the introduction of the context and background of the French reforms, Section ‘The Shanghai Shock’ will address the design process for the reform. Then, it will present the two strands of reforms, the one focusing on inter-institutional cooperation and merger (*pôles de recherche et d’enseignement supérieur* abbreviated as PRES, later *Communautés inter-académique d’universités et d’établissements* [COMUE]) in Section ‘Policy Responses’, and the other focusing on investments (Plan Campus and later Plan d’Investissements pour l’avenir [PIA]/Initiative d’Excellence [IDEX]) in Section ‘Design Process for the Reform.’ Section ‘Concentration of Higher Education and Research Institutions in PRES and COMUE’ presents the monitoring instruments. The chapter concludes with a Section on discussion and conclusion.

The chapter, following a case study design, is based on multiple data sources; our review of previous research is coupled with primary sources in the form of policy documentation in reports and on websites, published in French and English. More primary material was collected through expert interviews, guided by the structure applied to all the case studies in this volume, with a number of national actors as well as with representatives of universities involved in the reforms.

CONTEXT AND BACKGROUND OF FRENCH REFORMS

At the turn of the century, higher education in France was offered in a mainly public system, with historically grown differentiation among types of institutions and with many different degrees. Within each formal

category of institutions, all were treated equally; there were no officially recognised differences in status or quality.

Reforms of higher education in France over the decades have often taken the form of adding new types of degrees or new institutional units next to maintaining previously existing ones, making the system hard for outsiders to understand. With the Sorbonne and Bologna Declarations (1998 and 1999), the degree structure was modernised to focus on the three cycles, abbreviated in French as the Licence-Master-Doctorat (LMD) degrees.

The university sector was the open-access part of the higher education system, while (elite) professional training took place in the ‘Grandes Écoles’ which selected their enrolling students. There were about two dozen very prestigious Grandes Écoles and in total around 200 of them. After 1968, universities had been split into separate universities, especially in metropolitan areas, often along disciplinary lines, and partly in reaction to their growing size. Thus, Paris came to have 13 universities, while in total France counted at least 81 universities in 2005 (Kaiser, 2007). In total, there are more than 300 institutions under the guardianship of several ministries (Cour des comptes, 2011).

Another characteristic of the French higher education system was the separation of education and research, where research was largely concentrated in laboratories under the national research organisation *Centre National de la Recherche Scientifique* (CNRS), while for universities and Grandes Écoles, education was the primary mission. Since 1995, cooperation between CNRS and universities has been increasingly institutionalised (Kaiser, 2007).

Regional cooperation (and regional public co-funding), rationalisation of the higher education institutions and in general emulating the success of Silicon Valley had been themes of French policy since the 1980s, when the ‘Universités 2000’ plan was launched, but had never gained high priority until the Bologna Process reforms after 2000 (Filâtre, 2004; Sursock, 2015). Reforms from 2008 onwards, especially IDEX, should be viewed in the context of tighter economic conditions.

The Shanghai Shock

France’s higher education institutions did not appear in large numbers in the first global university ranking, the 2003 Shanghai Ranking. ‘[W]hen the Shanghai Ranking appeared . . . [in 2003], it had the effect of a bomb-shell: only three French universities were in the Top 100 and the “grandes écoles” or the research organisations did not feature in the Top 100’

(Sursock, 2015, p. 21). The ‘Shanghai shock’ showed that the fragmented higher education system was not fit for global competition (Harfi and Mathieu, 2006). Fitness for global competition had been an issue for French policymakers since many years, and a motivation to initiate the Sorbonne Declaration – witness the Plan-Attali (Attali, 1998) – which led to the pan-European Bologna Process.

The fragmentation of the French higher education and research systems into many institutions, each primarily focused on either education or research, was generally seen as a major cause for France’s invisibility in international rankings, with university rankings seen as an exponent of increasing globalisation, which was prominent around the turn of the century. The structural reforms focused on integration into larger units of higher education *and* research. A second focus was the long-term underfunding of institutions, especially universities. Third, it was felt that a well-functioning knowledge economy needed tight relations between higher education and its local or regional environment, while the institutional logic of the higher education and research systems had been oriented to the nation state as a whole for previous centuries through centralised planning and control.

Policy Responses

The 2008/2009 financial crisis triggered the government’s PIA (‘Plan d’Investissements pour l’avenir’ or ‘Plan for Investments in the Future’), including a programme for higher education, IDEX. This implied stepping up earlier policies for investments in selected higher education institutions.

To clarify developments, we distinguish two lines of policy initiatives in response to the contextual impetus: Line A focuses on the concentration of higher education and research institutions to overcome fragmentation; Line B on investing money in selected facilities and projects to create world-class institutions. At the strategic level, the government intends the structural reforms to achieve:

- Higher education and research institutions that are excellent at a global level (highly visible in the international university rankings)
- Innovations and economic growth in France
- Modernisation of the national higher education and research system

The operational goals of Line A included the following steps:

- Step 1: Creating a small number of large higher education and research institutions (known as ‘Pôles’ or centres of research and higher education, in French abbreviation PRES).
- Intermediate step: Further integration within PRES or combination of several PRES.
- Step 2: Bringing *all* universities into inter-academic communities of universities and institutions (COMUE). COMUE are similar to PRES, but in contrast to the voluntariness of PRES, universities are obliged to become part of a COMUE. A COMUE comes closer to a being a single university than the more federal PRES; it implies more educational and research cooperation.

The operational goals of Line B are:

- Step 1: Provides funds for a limited number of institutions to renovate their buildings and facilities to the best level available internationally (Plan Campus). Grants were made available competitively.
- Step 2: Provides incentives for some institutions to become competitive internationally for attracting the best researchers, teachers and students (IDEX).

The different policy instruments were clear in their operational goals. Plan Campus and IDEX had a detailed (and largely similar) procedure for submission and further handling of proposals, which made the goals and deadlines explicit. Similarly, the procedures and conditions for how PRES, and later COMUE, were to be composed were clear, although both had intentionally flexible elements so that there were no blueprints as to who should cooperate with whom.

DESIGN PROCESS FOR THE REFORM

The initiative for the policy came largely from the ministry responsible for higher education and research, though the need for reform was widely acknowledged in the academic community around 2004. There was also a consensus on the need for reform among politicians. However, a single solution was not in sight at that time. Following several attempts since the 1980s to modernise the system that were not accepted or that were not

given high priority in most regions, in 2004, a large consultation of researchers (including an ad hoc group ‘Sauvons la Recherche’) reached a consensus in a meeting in Grenoble on pulling together institutions. The ministry also felt the need to put the university in the centre and to permit specialisation. Building on the broad consensus, the PRES were designed first (concentration = Line A, step 1), then came Plan Campus (funding = Line B, step 1).

The Plan Campus was prepared by a bipartisan committee led by two former prime ministers, Rocard (leftist) and Juppé (centrist). This committee chaired by two former prime ministers was symbolic of the importance of the issue as well as the broad support for it. The fact that the president of the republic himself, Sarkozy, signed the final decision also symbolised its importance.

Consultations for the reforms took place with representatives of the higher education institutions, especially the ‘Conférence des Présidents d’Université’ (CPU). The CPU played a marked role and managed to steer the policy into a more autonomy respecting direction than the original, more centrally oriented direction. The universities leaned towards policy instruments that would leave more room for them to engage in competitions for funding, or to continue as they were. Additionally, we concluded from our interviews that the actors’ aims around 2004 were largely convergent, although there was some resistance among academics, labour unions of university teachers, students and their unions against change (see later). Interactions between governmental actors and the higher education institutions appear to have not been very frequent, however, for most of the period of the development of policies.

Design and implementation cannot be completely separated because second step took place in each line after a couple of years of experience. Thus, in step 2 of Line A, the concentration dimension, the COMUE was introduced (a conceptually simpler further development of PRES), while before that the IDEX funds as part of the PIA made up Line B, step 2, functioning in parallel with Plan Campus.

For the actors involved, all these intermingling reforms constituted a complex environment due to the variety of funds coming through different channels. At the same time, actors were supported also through training organised nationally to become competitive. Not all of higher education institutions were participating, but more and more did. The Ministry of Higher Education and Research (in French abbreviated to MESR) was attentive to actors with interesting initiatives, even if they

were not selected in the main policies. For example, 12 additional institutions were retained in Plan Campus above the original 10 (interview MESR). Noteworthy too is that the government in 2016 is continuing a policy launched by the previous government. This is uncommon in French higher education politics (interview MESR). It underlines once more the feeling of urgency and importance of making the French system more globally competitive.

CONCENTRATION OF HIGHER EDUCATION AND RESEARCH INSTITUTIONS IN PRES AND COMUE

In 2006, Line A of concentrating institutions started with the PRES to establish virtual and physical campuses of cooperating higher education and research institutions. PRES were collaborations of various (types of) higher education institutions (e.g. Grands Établissements Public or Grandes Écoles and universities) and research institutions¹; they mostly focused on doctoral training and concentration of research strengths.

PRES were implemented in the 2006 law for research n° 2006-450.² PRES replaced earlier types of loose and thematic institutional groupings (such as RTRA and RTRS³). Contrary to previous policies, always focusing on harmonious development of all regions, selectivity was to be the hallmark, and the government envisaged 10 PRES in the country; by 2012, the uptake by the system was greater than expected and there were 26 PRES (Sursock, 2015).

From 2014 onwards, these PRES further grouped into COMUE (inter-academic communities of universities and institutions). COMUE are legislated by the 2013 law n° 2013-660 ('Loi Fioraso', Legisfrance, 2013). COMUEs are made up of one or more previously existing PRES. The extent of cooperation (from coordination in specific areas up to merger) is a free choice for the partners in the various COMUEs. Institutions themselves must decide to pull together, mostly universities but often in conglomerates with other institutions for higher education and research laboratories. For small universities, there is hardly any other choice to prosper in the future than to join a COMUE. On 1 January 2015, 25 groups of universities (COMUE) covering most universities⁴ had been officially recognised⁵; others were being developed at that time. Other universities have merged completely, such as the University of Strasbourg

(2009), the Universities of Aix-Marseille and of Lorraine (2012), the University of Bordeaux (2014), the University of Montpellier (2015) or the University of Grenoble Alpes (2016).

COMUE as a whole, rather than their constituent universities, are in charge of their projects, showing increasing integration. Teams of specialists have been formed to manage locally each 'Plan Campus' at the level of a COMUE. A question is how to integrate these teams into the composing universities' staff in charge of real estate management. For example, in the region Aix-Marseille, all universities are merging into one, so for them, the locus of integration is clear. Other COMUEs, comprising institutions located in different cities, were to find other organisational solutions.

For Line A, concentration of higher education institutions into larger constellations mostly within a geographical region, regulation is the major policy instrument. However, the regulation left much room for various levels of intensity of cooperation (up to merger).

Obviously, Line A also needed funding. For instance, there were additional financial means and additional personnel posts to make participation in a PRES attractive to universities. Information played an auxiliary role: to make the opportunities known in the system and to persuade a sufficient number of universities to take part in them. The PRES policy was further encouraged in 2007 by a law on university autonomy providing more decision power at the level of the institution in exchange for greater autonomy of management.

The COMUE reform is obligatory. As a consequence, renewed quadrennial contracts between the government/MESR and institutions are now made with the COMUE, no longer with individual institutions. Annual funding and every 4 years extensive negotiations occur between the ministry and about 25 COMUE (the number may still change) instead of it having to negotiate with about 81 universities.

The implementation of Line A, the concentration strand, although it depended on the regulation by the MESR, was driven by initiatives of universities, other higher education institutions and research organisations to join each other in PRES or later in COMUE. There had to be a local platform willing to submit proposals (the Lorraine case is described extensively in Finance et al., 2015). Institutional leaders' willingness to engage in such rapid and deep change was unexpectedly high (Mignot-Gérard, 2012).

PRES and even more so COMUE implied intense cooperation in which not all university presidents and other leading officers could maintain their

local leadership: ‘the university presidents who were most successful at promoting a PRES had a similar professional profile: for the most part, they were scientists who led scientific universities and whose professional trajectory included an advisory or expert role to the ministry in Paris, their regional authorities and the European institutions’ (Sursock, 2015, p. 23, quoting Aust and Crespy, 2009). Sursock continued to comment that ‘[i]n the process of driving their change agenda, these promoters adopted a top-down approach and excluded from the initial discussions important sections of the university community and the decision-making bodies, including the staff and student unions and the faculty deans . . .’. The lack of consultation and consensus-seeking within universities was (partly?) caused by short return times for project proposals (Mignot-Gérard, 2012). However, the exclusion of some actors ‘would come back to haunt them a few years later’ (Sursock, 2015) in the form of resistance by academics and students (similar in: Finance et al., 2015; Mignot-Gérard, 2012).

The willingness of local leaders to engage in such rapid and deep change goes against conceived ideas of change remaining superficial in higher education (Mignot-Gérard, 2012), although some admit that there is an element of imitation in the university mergers and similar cooperative developments (Finance et al., 2015). A major motivation to engage genuinely in the opportunities of the policies may have been the anxiety, even – or perhaps especially? – among less prestigious universities, to avoid becoming a ‘loser’ (Mignot-Gérard, 2012).

Leaving leeway for local initiative implied a major cultural shift in the ministry’s traditional steering approach. From being the central actor steering the higher education system directly, it became a process manager (Aust et al., 2008).

The implementation process of both reform processes went fairly smoothly, without serious adaptations within each of the steps. The implementation largely went according to plan. Yet, the fact that there were two different steps in itself implies significant adaptation of the concentration stream (Line A: more intense cooperation, affecting more universities) as well as of the funding stream (Line B: higher ambitions, more money).

Actors continued to learn; in the ministry’s experience, universities and COMUE were presenting ever-better project proposals. However, the multitude of initiatives led to confusing situations in some cases. In Paris, for example, a single Plan Campus site included parts of universities belonging to different PRES (Sursock, 2015).

Resistance against all these changes and competitions built up among ‘shop floor’ academics, students and their respective unions. This was due in part to inadequate intra-institutional communication resulting from the speed of the process, and in part for other (including ideological) reasons. The internal atmosphere may have prevented some institutional leaders from ensuring that their higher education institutions took part in the grant competitions. However, precise information on this is not available.

IMPROVEMENT OF FACILITIES: PLAN CAMPUS AND IDEX

In Line B, *Plan Campus* dedicated €5 billion in 2008⁶ to renovate university buildings and facilities. Universities were invited to present a plan in a competition for the funds; the ministry did not present – as had been its wont – a national plan. The intention was to bring a limited number of French universities to the level of the international playing field. Twelve universities (original plan: 10) were selected (in addition 12 others were nominated for limited funding of about €400 million). Winners in Plan Campus were either excellent campuses (12), promising (5) or innovative (4) (Mignot-Gérard, 2012). At the time of writing in 2015, Plan Campus is still ongoing.

Partly in parallel, *IDEX* was announced in 2009 and implemented since 2010. It aimed to establish physical campuses of excellent higher education and research institutions, focusing on particularly ambitious scientific projects, while partnering with their ‘economic environment’. *IDEX* are funded by the PIA for a total of €35 billion to respond to the 2008 international financial crisis. Eight initiatives were to be selected in *IDEX* (Sursock, 2015), concentrating on institutions facing the highest level of international competition, namely, research universities. The initiative induced differentiation across institutions. The excellence initiatives aim to ensure the scientific reputation of France abroad and attract the best teachers, the best researchers and the best students. Further *IDEX* are under selection with the second PIA call in 2016.

For Line B, stimulating rejuvenated teaching and research facilities, the relationship between instruments was the reverse from Line A: the focus was on *funding* for specific projects, while *regulation* played an auxiliary role. For instance, competition rules for Line B had to be designed and agencies authorised to select proposals in the competitions.

Organisation also was an instrument. As setting up new agencies was largely avoided, existing agencies were given additional roles, for example, the national research funding agency ‘Agence National de Recherche’ (ANR). ANR is the operator in charge of selecting,⁷ contracting, funding and monitoring part of the PIA, including IDEX.

In more detail, the mechanisms of the Line B policies were as follows. In *Plan Campus*, universities were invited to submit plans arguing the need for investments and showing how investments in real estate would contribute to educational and scientific objectives considered in the light of international standards, as well as the structuring effect of the renewed campus on the region.⁸ The renovation of university buildings and facilities was designed to be selective, to create emulation, and regional, requiring cooperation of higher education and research institutions in the area. Besides, the results should be attractive, with new campuses designed by architects, etc.

On the university side, Plan Campus increased professionalism and expertise to university staff: capacity to question, to prepare large projects, to submit and defend projects, etc. The Plan Campus is disseminating some of its good practices to the management of the other buildings of universities through an improved procedure called ‘dossier of expertise’ when planning construction of a new building or modification above €3 million. The ‘dossier of expertise’ improves institutional decision-making as it helps the university board to obtain consensus and to make sure the building plan corresponds to the institution’s needs, focusing on the sustainability of the project and its governance.

Innovative aspects of the policy included:

- Universities’ submit projects based on their own needs and strategies rather than based on a national plan developed centrally.
- Management of projects was stimulated in the form of public–private partnerships rather than maintain the traditional strict separation of public and private spheres.
- Funded as an endowment: The €5 billion capital is not usable but the interest, about €200 million per year, is used for actual expenditures.
- It is not a one-off investment in building facilities but will run for 25 years, thus ensuring professional long-term maintenance of the new facilities.

Additional funds for university investments come from the contracts between regional governments and the national government (so-called *Contrat de Plan État-Région* (CPER)⁹) that follow a logic of regional planning. CPER are separate from Plan Campus, from IDEX and from other funds in the PIA.

IDEX was part of the first PIA (2010–2013) of €35 billion.¹⁰ A second PIA of €12 billion ran from 2013 to 2015,¹¹ and at closure of this chapter, a third PIA was under discussion of about €10 billion.¹² Before beginning the third PIA, the government intended to commission an evaluation of all investments so far. Under IDEX 1, eight projects¹³ were selected for a total of €7.7 billion, and IDEX 2 aimed at a budget of €3.1 billion (*Légifrance*, 2010, 2014). PIA concentrates on institutions facing the highest level of international competition, that is, research universities. The initiative aims for vertical differentiation among institutions. IDEX must contribute significantly to raising the growth potential of the country (in contrast with the regional focus of Plan Campus), as well as accelerate innovation and technology transfer to companies. PIA projects are to play a leading role in the transformation and modernization of France's educational and scientific landscape, through ever closer partnerships between universities, grandes écoles and research organizations.

The PIA and especially IDEX are not managed similar to other ANR calls, which are individual research projects.¹⁴ In the PIA/IDEX procedure, 99 % of the evaluators were non-French (even the jury's president, Jean-Marc Rapp, was Swiss), and many were not university researchers (ANR's main mission is funding research projects) but managers of research (IDEX is not only about research but also innovative training, visibility of research and training offer, restructuring of existing organisations, etc.) and researchers from the private sector (IDEX aims to include higher education's economic environment), etc. While projects achieving goals remain the norm, ANR accepts risk of non-achievement or failure for IDEX projects. The IDEX projects are much larger than ANR's normal research projects, both in euro volume and in time (funded for 10 years); this implies there are fewer projects, though IDEX is even more competitive than usual for ANR.

Further innovative elements about the policy process include an assessment of the status of the institution's research competitiveness at the start, annual monitoring, and an evaluation after 4 years (deciding whether the capital will definitively be awarded to the institution). The follow-up, in case a funded IDEX is not doing well, is mostly handled by

the government based on the regular annual monitoring. Experienced difficulties have been due to various reasons: lack of agreement between institutions even though they agreed the submission of the project, change of environment, legal issues or lack of expertise (mainly expertise regarding large-scale project management, as this was not a university competence in the past). The committee monitoring IDEX implementation is led by the minister in charge of higher education and research (though the minister may delegate this to ministry staff) and mainly comprises high-level staff from the ministry, ANR and ‘Commissariat Général à l’Investissement’ (CGI).

The CGI, a new agency to distribute and monitor investments, was created by bipartisan agreement in 2009. It was to administer the PIA funding programme in response to the economic crisis across a plethora of areas: higher education, research and innovation; small and medium size enterprises (SMEs) and key economic sectors (life sciences, carbon energy and efficiency in resource management, the city of tomorrow, the future of mobility and the digital society). To maintain focus on longer term goals rather than get enmeshed in the ministerial and political routines with their short-term goals, the CGI is located within the office of the prime minister. Through this role and position, the CGI developed to become the main agency involved in the IDEX.

The step up from Plan Campus to IDEX was instigated mainly through a change in the environment, that is, the economic crisis of 2008/2009 and the general increase in size of response of the French government to the crisis through the PIA. As mentioned, however, it changed the character of Line B from regional development to national competition globally.

MONITORING INSTRUMENTS

Until 2016, there were few formal evaluation and feedback processes about the higher education reforms, apart from an early evaluation (in the first year of their existence) of the formation of PRES (Aust et al., 2008). However, just before closure of this chapter, PIA (as a whole, across all areas involved, not just the IDEX) was evaluated by foreign experts.¹⁵ The evaluation fell out largely positive with pervasive effects of the PIA such as changing previous structures (in particular for universities based outside Paris) and greater collaboration among actors to reach excellence. The method of implementation of the PIA including its monitoring was also commended

and could be extended to other domains than research and education. The experts recommended to increase learning from evaluation in particular by looking at less successful actions such as the discontinued IDEX projects (see below).

At the foundation of the PIA in 2010, the information base included a recent Organisation for Economic Co-operation and Development (OECD) review of the French higher education system, while for the 13 prospective partners in IDEX, the Science and Engineering Observatory (OST: Observatoire des Sciences et Technique) analysed the bibliometric performance.¹⁶ Besides, public higher education institutions already reported annually to the MESR for their annual funding and every 4 years extensive negotiations occur between higher education institutions and the ministry about quadrennial funding contracts (Kaiser, 2007).

In IDEX, annual monitoring through indicators was included from the start and acceptance of cost statements of annual expanses, an assessment of the status at the start (with nationally collected bibliometric indicators) and an evaluation after 4 years are conditions for the final promise of capital (though kept by ANR for 6 more years). However, income is well-nigh certain indefinitely, since the capital remains in the institution's possession.

Annual monitoring of IDEX projects is based on predefined indicators¹⁷ and a briefing session between the government and each IDEX. The evaluation results are confidential. Annual evaluations are not made public, because if targets are not achieved, publicity of evaluations would create pressure and make the jury's task even more difficult. In case of large difficulties, projects may be adjusted. For example, one consortium was amended and another partner left a PIA project. Early 2016, the jury that had selected IDEX compared progress with initial contracts. Consequently, the jury allowed three IDEX are to continue, three continued under scrutiny for 18 or 24 months and two would be terminated.¹⁸

DISCUSSION AND CONCLUSION

In this account, we have detailed how the French policy changes caught on and reformed the landscape as well as the political principles of higher education.

The different policy instruments were clear in their instrumental goals. Plan Campus and IDEX each have a detailed procedure for proposals, which makes the goals explicit. Deadlines were stated explicitly, as well.

Similarly, how PRES, and later COMUE, were to be composed was clear, although there were intentionally flexible elements (no centrally defined blueprint). The introduction of PRES was a major innovation, although some smaller-scale cooperation instruments among higher education and research institutions had existed previously. Also Plan Campus was a major policy innovation. Common characteristics included the local or regional drive instead of a predefined national plan.

Actors continue to learn: universities and COMUE are presenting ever better project proposals. However, while university central staff is increasingly involved in the policy, professors and researchers' unions remain less in favour, and can be heard complaining of the project-based funds instead of stable, recurrent budgets. The tensions in the academic community experienced in many countries are, therefore, also visible in France. Yet the broad movement of academics demanding increased investment and change around 2004 (*Sauvons la recherche*) indicated that even for the 'rank and file' changes were welcome. Such a moment of willingness to change was not to be wasted when the 'Shanghai shock' provided an externally induced feeling of crisis. Together, this made up a 'window of opportunity' (Kingdon, 1984) that was used well. Once the reform was in movement, its progress was not hindered significantly when (other?) academics and students in later stages were less willing to adapt.

Accordingly, we showed that the *operational goals* were achieved: regional concentration of higher education institutions took place, in various constellations, some more engaged in the international prestige race than others, and with differentiated levels of investment in upgraded facilities. Moreover, at the *strategic* level, the higher education landscape has changed remarkably, indicating a successful reform. The number of higher education institutions has been reduced from several hundreds to a few dozen major players and is bound to drop even further with current plans for a single COMUE in every large region of France. In 2015, 25 groups of universities (COMUE) including most universities were given official status.¹⁹ Still, some higher education institutions continued to operate independently, especially among specialised institutions such as business or engineering schools.

Some *subsidiary goals*, operationalized in selection criteria, had to be softened or eliminated due to reactions from the university sector. For example, the goal of large-scale restructuring of institutional internal governance structures to resemble US structures was abandoned following reactions by the CPU. Additionally, narrow international excellence criteria

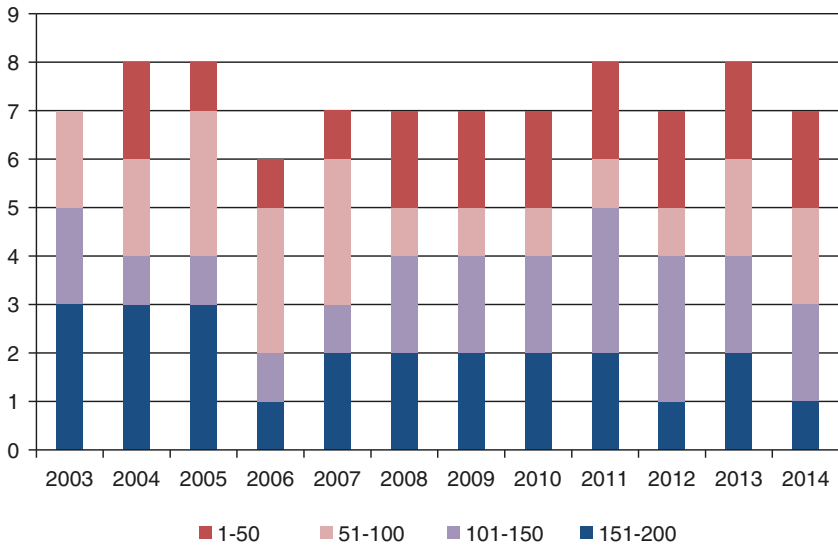


Fig. 1 French universities in ARWU ('Shanghai ranking') 2003–2014

in PIA were broadened to allow more proposals to qualify as excellent (Mignot-Gérard, 2012).

The number of French universities prominent in the international rankings has, however, not changed much since 2003. The only element of the 'Shanghai shock' that was overcome is that in every year since 2008 there have been two French universities in the top 50 compared to between zero and two from 2003 to 2007 (see Fig. 1). Obviously, the competition from universities in other countries to gain a place, or retain their place, in this ranking, has intensified, so a 'red queen effect' may be visible here.²⁰ Among other things, *side effects* included:

- The university is at the centre of this vast reorganisation, whereas research centres and business or engineering schools had been more favoured in the recent past.
- Spreading of modernisation to areas other than research and doctoral training, such as better undergraduate education and better curricula.
- More university mergers, which were not directly intended by the different policies.

- The PIA process has brought international standards into the French system for awarding project funds (until then, competitions in, for example, ANR were mostly about French peers awarding funds to each other);
- The PIA has strengthened the professional capacity of central university staff (institutions are increasingly in charge of their own strategy).
- While not subdued completely, there seems to be a lower level of resistance against modernisation among academics and students than in the past.

Most of these side effects can be considered beneficial from the policymakers' point of view.

There is also a logic of *specialisation* at work. To be competitive at an international level, institutions must choose a limited number of domains of excellence and niches (at least in their master, doctorate and research domains). It is noted, for example, by the MESR, that the Smart Specialisation Plans, as requested from the regions by the European Commission (EC), have also helped to prepare minds for specialisation. All these initiatives are putting university staff in motion. Specialisation is a mid- to long-term objective with strategic choices made, and human resources policy gradually adapting (recruitment or departure), the involvement of all staff and the presence of research centres within university research teams aligned to the strategic choices.

All these reforms can be seen as part of a super policy with the strategic aim to create the infrastructure for a globally excellent higher education and research system. The theme of regional cooperation with regional public co-funding, rationalisation of the higher education institutions and in general emulating the success of Silicon Valley had been a theme of French policy since the 1980s, starting with the 'Universities 2000' plan,²¹ but had never gained high priority until the Bologna Process reforms after 2000 (Filâtre, 2004; Sursock, 2015).

'The interested reader is warned that the legal saga is not finished' (Sursock, 2015, p. 18), as the forming of COMUE is still continuing and new policy initiatives may follow it. It seems clear, however, that the type of policy that may continue the saga will follow the lines indicated in this chapter: the principles of the evaluative state are now well-entrenched in the French higher education community.

NOTES

1. For a brief explanation of some of the different types of institutions, see the following section or Kaiser (2007).
2. <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000426953>
3. Les réseaux thématiques de recherche avancée (R.T.R.A.) et les réseaux thématiques de recherche et de soins (R.T.R.S.), see <http://www.enseignementsup-recherche.gouv.fr/cid56330/les-reseaux-thematiques-de-recherche-avancee-et-de-recherche-et-de-soins.html>. See also Sursock, 2015.
4. On 1/1/2015, there are 73 universities plus one polytechnic institute in France.
5. <http://www.cpu.fr/actualite/regroupements-universitaires-25-grands-ensembles-pour-viser-l'excellence/>
6. This sum was composed of € 1.3 billion from the PIA and € 3.7 billion from selling shares in electricity company Edf.
7. <http://www.agence-nationale-recherche.fr/investissementsdavenir/documents/2011/activite-jury-selection-index-2011.pdf>
8. <http://www.enseignementsup-recherche.gouv.fr/cid20924/operation-campus-renovation-de-10-projets-de-campus.html#criteres> and <http://www.enseignementsup-recherche.gouv.fr/pid24591/operation-campus.html> and <http://www.enseignementsup-recherche.gouv.fr/cid56024/l-operation-campus-plan-exceptionnel-en-faveur-de-l-immobilier-universitaire.html>
9. Seven-year investment plans agreed between national and regional government (https://fr.wikipedia.org/wiki/Contrat_de_plan_État-région).
10. <http://www.gouvernement.fr/les-investissements-d-avenir>
11. See 2nd IDEX/I-SITE: <http://www.agence-nationale-recherche.fr/investissements-d-avenir/appels-a-projets/2014/initiatives-d'excellence-index-initiatives-science-innovation-territoires-economie-i-site/>
12. <http://www.latribune.fr/economie/france/grand-emprunt-francois-hollande-a-la-recherche-d-une-rallonge-de-10-milliards-d-euros-460513.html>
13. <http://www.enseignementsup-recherche.gouv.fr/cid59263/5-projets-selectionnes-pour-la-deuxieme-vague-de-l-appel-a-projets-initiatives-d-excellence.html> or https://fr.wikipedia.org/wiki/Initiative_d'excellence
14. Expressing its mission: 'ANR provides funding for project-based research' (<http://www.agence-nationale-recherche.fr/en/project-based-funding-to-advance-french-research/>).
15. <http://www.strategie.gouv.fr/presse/communiqués-de-presse/programme-d-investissements-d-avenir-pia-france-strategie-rend-rapport-d'examen-mi-parcours>
16. http://www.obs-ost.fr/fractivites/index_initiative_excellence

17. <http://www.agence-nationale-recherche.fr/fileadmin/aap/2014/ia-idex-site-2014.pdf>, pp. 16–19.
18. <http://www.letudiant.fr/educpros/actualite/la-competition-des-idex-a-l-universite-les-episodes-de-la-saison-1.html>
19. <http://www.cpu.fr/actualite/regroupements-universitaires-25-grands-ensembles-pour-viser-lexcellence/>
20. In *Behind the Looking-Glass*, the red queen warns Alice: ‘Now, *here*, you see, it takes all the running you can do, to keep in the same place’ (Carroll, 1981).
21. To illustrate: The case history of the University of Lorraine merger already started in 1985 (Finance et al., 2015).

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The International Campus of Excellence Initiative in Spain

Marco Seeber

THE SPANISH HIGHER EDUCATION SYSTEM AND THE ROOTS OF THE REFORM

This chapter analyses the *Campus de Excelencia Internacional* initiative – CEI, International Campus of Excellence – in Spain. The initiative was part of the broader *Estrategia Universidad 2015* – EU2015 – (Ministerio de Educacion, 2008, 2009) and was officially launched in July 2009. The CEI initiative was strongly influenced by policy initiatives conceived in Europe in the same period, while at the same time expected to address problems central to the Spanish context.

The Spanish higher education system is among the largest in Europe, with 1.9 million students and 150 thousands academic staff (including tenured and junior staff; OECD, 2013). In recent years, resources invested in higher education grew from 0.96 % of Gross Domestic Product (GDP) in 2002 up to 1.35 % in 2008, while decreased after the economic crisis down to 1.23 % of GDP in 2012 (Eurostat database). Spanish universities had been regulated by the central authorities at the Ministry of Education until 1983, when the University Reform Act transformed them into autonomous bodies which

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transferred the direct responsibility over universities to the autonomous regions, although the devolution process was fully completed only in 1997 (Mora et al., 2000).

In order to increase access to higher education as well as due to the transfer of competences to the regions, the number of universities grew from 28 to 75 in the period from 1975 to 2005 (Delgado and Leon, 2015). From the beginning of the twenty-first century, the Spanish higher education, alike other higher education systems in Europe, was increasingly expected to become more competitive and international, as well as contributing to and interacting with the society and the economic sector (Rubiralta, 2010). According to the interviews, there was a rather common understanding among policymakers and stakeholders that fragmentation – with 50 public institutions and 31 private centres scattered across 232 campuses and territorial sites¹ – were major factors making the system expensive and inefficient, leading to multiplication of structures and course offerings, little differentiation and specialization, lack of critical mass. Overall, these elements were deemed to undermine the international attractiveness and visibility of the Spanish Higher Education (HE) system, as only one university was among the world's top 200 universities in the Shanghai ranking and only 11 in the top 500.

In this context, the government of Spain introduced the Organic Law 4/2007 on Universities Organic Act Modifying the “Organic Act on Universities” (LOU) (‘LOMLOU’ – State of Spain, 2007), which sets a new legal framework in order to implement the European Higher Education Area guidelines (EHEA) and modernize the Spanish university system, aligning with the European Commission's recommendations included in the Modernization Agenda for Universities (European Commission, 2006).

THE DESIGN OF THE REFORM AND ITS GOALS

The debate on how to concretely modernize the university system emerged within the ministry, particularly after the approval of the LOMLOU act. Some officials were concerned about introducing a new ambitious policy at a moment at which Spanish universities were adapting their curricula to the Bologna Process standards, which was a time-consuming process. Accordingly, some public officials proposed that modernization actions should have required small administrative efforts on behalf of universities.

In April 2008, the *General Secretariat for Universities* was established within the Ministry of Education and Science, which took the responsibility

for the regulatory implementation of LOMLOU and fulfilment of the European universities modernization agenda. The General Secretariat was led by a representative of the academic community, the Rector of the University of Barcelona and the vice president of the Spanish Rectors Conference – Professor Rubiralta – and brought forward the ambitions, ideas and expectations of part of the university system to modernize. The modernization agenda of the European Commission (EC) and government commitment through the LOUMOU law provided inspiration and legitimization to develop an ambitious plan. According to some interviewees, the initiative also represented an opportunity for a renewed role of the central government in the steering of higher education and research. With the creation of the General Secretariat for Universities, the idea prevailed to promote more actively the modernization of the Spanish system. A working group within the newly established body was set in place to define an overall strategy for the development of the system. In less than a year, the *EU2015* policy framework was crafted and the *CEI* initiative – CEI represented its main pillar.

The concept and design of the CEI initiative were inspired by the principles included in the ‘modernization of European universities agenda’ (European Commission, 2006), and resembled to some extent previous initiatives developed in Germany (Excellence Initiative 2006–2012), France (PRES 2006, 2008, Operation Campus, 2008) and the United Kingdom (‘A new University Challenge’, 2008). The CEI’s *overarching goal was to spur the aggregations between universities and between universities and other institutions around a common project and campus*. The campus had to become an environment for excellent scientific, educational and innovative activities in which institutions related to education, research and innovation – the so-called Knowledge Triangle – could meet and collaborate (European Commission, 2005). Accordingly, the CEI was expected to modernize and improve Spanish universities in a number of dimensions (Rubiralta, 2010; Ministerio de Educacion, 2011; Delgado, 2012; Rubiralta and Delgado 2010):

1. **To reduce fragmentation, thus improving the position of Spanish universities in international rankings** by promoting a few campuses of global recognition.
2. **To open the universities and increase its contribution** to the external context by fostering strategic alliances between a variety of partners located in the region. The campus, integrated with the

surrounding urban and regional environment, should meet societal demands and economic needs of their host territories. The involvement of industry in CEIs was expected to enhance labour market inclusion, knowledge transfer and the social and economic development of the regions.

3. To **increase diversity of teaching offering and research profiles**. Ideally, the transformation of comprehensive universities into CEIs that specialize in only one to three disciplinary areas was envisaged.
4. Increase **internationalization and attractiveness** for international students, academics and researchers as well as knowledge-related investors.
5. To **improve university governance**. Campuses were expected to adopt and experiment with governance arrangements and practices new to the Spanish system, such as boards of directors, and executives appointed by means of international selection processes, which could eventually be extended from campus governance to university governance.
6. To **increase excellence and efficiency** in teaching and research, by creating economies of scale and critical mass, efficiency of inter-institutional course offerings and optimizing investment in facilities.

The policy was presented in the period October 2008 until the end of 2008, at several public events and visits to a variety of public and private universities, autonomous communities, collegiate bodies like the Council for Universities (composed of University Rectors and chaired by the Minister for Education), representatives of the wider society and economic sector. The Strategy University 2015 was approved by the Council of Ministers on 30 January 2009, after informing the Science and Innovation Committee of the Spanish Congress and subsequently the Senate. In July 2009, the first CEI call was launched (State of Spain, 2009).

HIGH EXPECTATIONS IN ACTION

The implementation of the reform started after the formal approval of the policy in January 2009, and before the official launch of the first call in July 2009. In fact, during this period, the members of the General Secretariat for Universities were strongly involved in spreading the policy ideas among potential participants, making them aware of the CEI's importance.

At the same time, the policy designers also tried to convince the government to invest a considerable amount of resources. In fact, the CEI's ambitious goals understandably implied a large public investment – around the scale of similar initiatives in Germany and France. However, several ministries and officials were reluctant to endorse such a large investment, being concerned that the global financial crisis erupted in late 2007 would impact the economic and financial stability of Spain in the near future. In turn, the total funding of the CEI programme was 686.7 million Euros, of which only 15.5 % in the form of direct grants to universities and 84.5 % in the form of loans with a 0 % interest rate and reimbursable in 15 years' time (Delgado and León, 2015). By comparison, the German 'Excellence initiative' has been funded 1.9 billion Euros in 2006–2011 and 2.7 billion Euros in 2012–2017 (DFG, 2016), while the Plan Campus (2008) and the IdEx (2011) in France attracted 5 and 7.7 billion Euros, respectively (MESR, 2010, 2011). Moreover, because funds were channelled mostly via loans, the Ministry of Education had to establish bilateral agreements with all the 17 autonomous regions, as they are the institutions legally responsible for the financial stability of universities under their jurisdiction. Thus, loans were allocated to the universities through and under the supervision of the regions themselves, making their role in the reform more important.

Crafting the Proposals

Despite some initial scepticism – due to the loan form of funding, which was pretty unusual for Spanish universities – nevertheless, almost all universities decided to participate in at least one proposal. They were autonomous in crafting the proposals, within very broad parameters. Universities were also active in looking for other partners as well as gaining political support from regional representatives.

The proposals for CEIs were crafted by universities and associated partners, and selected through competitive bids in 2009, 2010 and 2011. The proposals were first preselected by a technical committee composed of national academic and research experts, and the assessment was made on the quality and excellence of the proposal and its potential to develop in a 4-year period into a campus of excellence. Preselected proposals were granted a subsidy of up to €200,000 for the purpose of further preparation for the final selection.

After this first scrutiny, full proposals were developed by the leading university, with the support of associate members. This phase was particularly delicate for internal relationships within the universities. In fact, the governance of Spanish universities has been traditionally consensual, egalitarian and strategically weak. The leadership had little formal powers and legitimation to make strategic decisions, such as which areas of the university had to become an institutional priority. The CEI initiative, however, was asking universities to signal which parts were their flagships, and in which areas they wanted to invest. Understandably, in many cases, this raised internal debate and struggles. Still, the CEI was a sufficient legitimation for leaderships to identify such priority areas.

Selection

Shortlisted projects were selected by an International Assessment Committee of nine experts (one-third renewed each year).² The proposals were submitted via a website. Candidates included the details of the proposed cluster, its final objectives and the strategy by which they were to be achieved. They had to specify the institutions and structures involved and the governance structure. All CEI candidatures were also presented at a public event held the day before the official assessment. Each presentation consisted of a video and a 10-min talk, an explanatory hand-out and promotional materials.

The official call set some generic criteria for the selection of the proposal, leaving quite some discretion to the International Assessment Committee (State of Spain, 2009). The original idea of the policy designers was to identify only a few campuses of *international excellence*. However, during the selection phase, it became clear that a too selective approach would have created discontent among universities and lead to regions excluded – as the number of submissions was much higher than expected – with a waste of potentially valuable initiatives. Hence, it was decided that different categories of projects were to be awarded. Finally, three categories of projects were identified: (1) CEIs – for example, proposals most closely comparable to the best projects produced in other countries; (2) International Campus of Excellence, regional level (CEIRs) – Regional Campus of Excellence projects – namely, proposals viewed by the evaluators as not able to compete for excellence at a global scale, while regarded strong enough to act as ‘regional’ (in the European sense) drivers of knowledge; (3) promising, for example, proposals that earned a positive appraisal but did not yet

qualify as CEI or CEIR. This decision was endorsed by the ministry following the recommendations from the committee.

Despite this broader approach, however, the reaction from the universities and regions excluded from the selection was strong. In turn, throughout the three calls, the CEI developed into a much more comprehensive initiative than initially envisaged. The 32 awarded projects finally included almost all universities and research centres, as well as 74 % of the companies participating in the Spanish exchange index *Indice Bursatil Espanol*, e.g. Spanish Exchange Index (IBEXH35), plus a large number of business associations, hospitals and public institutions (Casani et al., 2014). Aggregations implied systemic collaboration between selected centres, institutes and facilities from two or more universities within the same region or across different regions, between universities and national or regional research bodies as well as public/private aggregations. Aggregations between selected centres, institutes and facilities from two or more universities were the majority (Rubiralta, 2010).

Implementation, Evaluation and Monitoring

Approved CEIs and CEIRs had to implement and sustain the plan of action throughout the entire period. Campus' participants were fully autonomous in managing the implementation of the proposal and the related funds, although under the financial supervision of the regions. Each year a progress report had to be produced and assessed by an International Evaluation Committee, composed by two members of the general secretary of the universities, one of them acting as technical secretary and only interlocutor with the commission, the general director for the university policy and six foreign experts. The assessment was only based on the official reports and the content of the websites, with no visits *in situ*.³ Each campus was evaluated by two foreign experts, first with an independent evaluation, and finally reaching a consensual judgment with the support of the technical secretary of the committee. Key criteria for evaluation were: (1) the existence of strategic aggregations between universities and knowledge-related agents; (2) internationalization level and initiatives to increase the international visibility and recognition of the CEI; (3) specialization, based on own strengths; (4) interaction with the business and territorial environment, contributing to their socio-economic development. The main task of the evaluation was to judge the level of improvement and assess whether the campus

had reached a standard of international (or European) excellence, and eventually assign an official label of CEI or CEIR.

According to interviewees, the lack of meetings between the evaluators and universities' and stakeholders' representatives was arguably a major limitation of the evaluation procedure, especially regarding the capability to evaluate the integration with the local context, and the technology transfer progress, which are hardly captured by standard indicators alone. Moreover, no instrument was foreseen to enforce the recommendations of the evaluation committee, apart from the risk of not receiving the label of excellence in the next evaluation, and actually, none of the selected campuses had failed the target of the 'excellence' label, though some of them had received a C score – meaning limited progress.⁴

Box 1 – Example of a CEI: Campus of International Excellence 'Iberus'

The CEI Iberus is multi-campus project promoted by the strategic aggregation of the four public universities in the Ebro river valley, in the autonomous regions of Aragon, Navarra and Rioja as well as the province of Lleida in the autonomous region of Catalonia.

Iberus mission is to achieve a level of quality and visibility equal to that of the best European universities: through strategic aggregations, defining the areas of knowledge in which we can be and want to be strong, placing people and their integral development at the centre of the institution's aspirations, acting as an engine for socio-economic development.

Selected fields of specialization are sustainable energy, technology aiding the health of the citizen, food and nutrition, cultural heritage preservation. The aggregation implies collaboration of universities, companies and R&D institutions around smaller projects in the chosen fields of strategic specialization.

A Consortium Campus Iberus has been established whose composition and structure guarantee the participation of economic and social actors in the area of operation of Campus Iberus. The consortium provides a governance structure to the CEI, with a: (1) Board of Trustees: constituted by the President, three representatives from each university, two of them being the Rector and the President of the Social Council, and a Secretary as a non-voting member. (2) An

Executive Committee: constituted by a Rector, who acts as president of this body for a 2-year period, and the representatives of each university other than the Rector or the President of the Social Council. (3) A CEO: appointed by the Board of Trustees, she/he will take part in the Board of Trustees, the Executive Committee and the Advisory Councils. (4) An Advisory Councils: appointed by the Board of Trustees, providing advice and counsel on the development of the Campus Iberus project.

The Iberus campus supports this structure's through centres, services and programmes and infrastructure. Centres: The International Postgraduate Centre (IPC), the Centre for Innovation and Entrepreneurship (CIE), mixed centres for investigation with businesses, and the Centre for International Reception. Services and programmes – new and common to all campuses – the evaluation and investigation transfer service, the teaching and research mobility programme, the university employment service, company links and links with secondary schools and vocational training. Infrastructures: Iberus Global Knowledge Exchange' management platform, IT equipment and use, the building of residences, student and teacher housing and facilities, and the redesign of campuses according to fields of specialization.

Source: Strategic Plan (http://www.campusiberus.es/?page_id=259%26lang=en%2310)

THE CONTEXT OF IMPLEMENTATION AND THE IMPACT OF THE REFORM

The initiative was expected to reach its goals by 2015. An official evaluation formally recognized that Campuses have reached their 'excellence' status, and they are still active today. Beyond that, it is probably fair to say that more time is necessary to fully grasp the success of the initiative. Moreover, changes occurred in this period of time may not only be related to the CEI initiative alone but also to processes already occurring in the Spanish system, or at a global scale.

Overall, the development of the policy was deeply related to events occurring in the broader environment, affecting Spain and the Spanish

higher education system. Roughly in the same years when the initiative was implemented, the financial and then economic global crisis impacted Spain in a particularly strong way. As a consequence, funds available were much less than initially expected, they occurred mostly via loans, and the interest rate was gradually increased. In particular, when Spain subscribed the Stability Pact due to the economic and financial crisis, the interest rate on the loans was increased from 0 to 1.5 % in 2010, and to 5.67 % in 2011. At that point, regions were not allowed to subscribe to new agreements, so that no funds were allocated for the 2011 call.⁵ In turn, financial constraints affected the policy implementation and its overall impact (Casani et al., 2014). Moreover, in the same period when the CEI initiative was designed and launched, Spanish universities were involved in the adoption of the Bologna Process guidelines for the organization of curricula. This process required much effort from their side and was accompanied by students' protests. As a matter of fact, parts of the resources of CEI were then allocated for the implementation of the Bologna Process (under the umbrella of the EHEA initiative). The coexistence with this challenging process arguably limited the time and effort that universities and their leadership could devote to the CEI initiative, which was by itself a very ambitious and time-consuming task.

With these strong constraints in the background, the achievements and impact of the reform can be examined in a number of dimensions.

Visibility and participation. Interviewees agree that the most valuable result of the CEI was to increase the visibility of the universities in the society, by encouraging them to communicate with actors at the national and local levels, as universities leaders were in fact spurred to look for local political and economic partners to increase chances of success in the application. The initiative has emphasized universities' third mission and placed them for the first time at the centre of the regional debate on social and economic development. While in some cases, universities relied on pre-existing linkages, in other cases, new contacts have been established with some durable gains, such as more contract funds, internships and public-private partnerships. The initiative was able to attract much attention from the universities, which all participated to the competitive bid as leading or associate partners.

Governance. The university leaderships were able, under the external pressure of the initiative, to reflect strategically and identify the institutional flagships. Internal reorganizations of departments and faculties have occurred in some universities, thanks to the CEI initiative. On the other

side, the governance of universities has not been affected by the CEI initiative (Casani et al., 2014). The CEIs' governance relies on their own bodies or on the universities governance structure. Their budget was limited to the loans and grants, whereas crucial decisions on recruitment and management of general funds remained under the authority of the universities. In turn, CEIs are more like appendices of universities, managed 'like any other university project' – although an important one (Ministerio de Educacion, 2015) – rather than a 'Trojan horse' for virtuous practices within the university. Finally, the campus existed physically only in some projects, whereas initiatives involving universities located in different cities did not have and did not create a new common campus, but rather added the CEI label to their existing locations and facilities.

Relationships. Several interviewees recognize that as a consequence of the policy, the universities are now interacting more between each other and with external partners, such as ministries, regional authorities and private organizations. On the other hand, not all initiatives implied aggregations between different universities, as several were led by one university alone.

Profiling. Differentiation and specialization only occurred to a limited extent, as the resources available for the campus were not large, and parts of the universities that were not initially involved in the proposals, were often involved during the implementation.

International visibility and vertical differentiation. Indeed the position of top Spanish universities in international rankings, their scientific output (+17 % on average) and level of internationalization, as regards scientific collaborations (+12 %), foreign students and academic staff, have improved considerably in recent years (Table 1). The international orientation has also improved as regards the teaching offer, with more bilingual courses (Spanish and English). However, the improvements regarded almost all Spanish universities, and not only top institutions or those more directly involved in the CEI initiative, with a mean growth of +22 % in scientific output, and +12 % in international collaboration between 2009 and 2014. Some interviewees among the policy proponents recognized that – given the salience of rankings in the policy discourse and for universities competition for status – the identification and promotion of an elite group of institutions was to a large extent instrumental to attract government's and universities' interest, rather than a key priority. Moreover, during the implementation phase, this goal emerged as the most problematic politically because of the opposition of universities (and related

Table 1 Evolving visibility, productivity and internationalization of the top 10 Spanish universities in SCIMAGO ranking 2014

Institution	Ranking position ^a		Output ^b		% International Collaboration ^c			% Foreign academic staff ^d		% Foreign students ^d						
	2009	2014	Position change	2009	2014	Delta change (%)	2009	2014	Delta change (%)	2007	2011	2007	2011	Absolute change (%)	Absolute change (%)	
Barcelona Autonomia	167	152	15	7.62	8.22	8	42.26	47.75	13	5	2	5	2	-2	5	8
De Barcelona	263	194	69	5.65	7.11	26	48.75	43.69	13	1	6	4	6	5	4	6
Complutense de Madrid	229	203	26	6.4	6.94	8	33.88	37.87	12	0	2	1	5	1	5	7
Valencia	286	263	23	5.37	5.82	8	42.52	45.71	8	0	1	1	2	1	2	5
Politecnica de Catalunya	297	265	32	5.17	5.79	12	39.56	45.73	16	1	4	4	7	4	7	6
Autonomia de Madrid	292	271	21	5.3	5.65	7	40.84	46.55	14	0	2	2	5	2	5	5
Granada	389	305	84	4.13	5.16	25	35.14	41.39	18	1	3	2	4	2	5	4
Plotecnica de Valencia	466	356	110	3.51	4.68	33	28.6	33.48	17	0	1	1	3	1	3	10
Sevilla	413	377	36	3.87	4.46	15	36.52	35.91	-2	0	2	2	2	2	2	2
Politecnica de Madrid	464	379	85	3.53	4.42	25	30.75	35.73	16	0	1	1	3	1	3	5

^aSource: Scimago ranking. The ranking has a comprehensive approach and includes a variety of research organizations, such as institutes, hospitals, higher education institutions and government bodies.

^bOutput: Total number of documents published in scholarly journals indexed in Scopus. This is a size-dependent indicator. Source: Scimago ranking.

^cShare of internationally co-authored articles: Institution's output ratio produced in collaboration with foreign institutions. The values are computed by analysing an institution's output whose affiliations include more than one country address. This is a size-independent indicator. Source: Scimago ranking.

^dSource: Eumida dataset and Eret dataset

regional authorities) whose proposals were not deemed as excellent in the first round. This resulted into a much more distributive approach, involving small universities and peripheral regions as well.

In sum, the reform did not meet the ambitious goals that were originally set. Nevertheless, it has produced some meaningful results with a relatively small investment, although the obligation to refund the loans may burden universities' budgets in the coming years (Casani et al., 2014). The reform has been generally accepted by various stakeholders, although the new conservative government (2012) has been rather sceptical on the initiative and showed the intention to abandon it. The reaction of the universities involved in the CEI hindered this decision, and there is an ongoing discussion on whether and how to give continuity to the campus initiative.

REFLECTIONS AND CONCLUSIONS

The original intention of the general secretariat envisaged a significant change in the Spanish higher education system, through and towards more cooperation and competition, enhancing excellence and relevance of the universities. The system was expected to become more interconnected, as well as more vertically differentiated, through the identification and aggregation of its excellent parts, via the selection of a small number of inter-institutional CEIs to be supported and they could become prominent on a global scale. These goals were rather clear in the policy design, although a certain degree of tension existed between the goal to select an elite for a stronger global positioning and visibility, and the goal of societal relevance and impact, which is arguably important for all the universities and regions. A certain degree of uncertainty existed, until the initial call, on whether funding was occurring via grants or loans, and in which proportion. While the design of the project was largely run and managed at the central level, on the other hand, the federal nature of the Spanish governance of higher education allowed the regions to have considerable influence in the implementation. In turn, the combination of financial constraints, some tensions implicit in the policy design, and specific attributes of the Spanish HE system (regional role, and a traditional distributive and egalitarian culture), substantially affected the policy ambitions and goals during the implementation phase. Most notably, the vertical differentiation dimension of the reform (spurring an elite) was gradually softened because of the pressure of universities – and regions – whose

proposals were not deemed as excellent in a first stance. In turn, less prominent universities and peripheral regions were able to access the initiative, and the available resources were distributed across a large number of campuses. Several universities did not focus their efforts on a unique area and campus but rather participated in several initiatives at the same time.

Some general lessons can be learned from this initiative.

The EU2015 and CEI policy reform were brought forward by a rather small group of academic experts, under a goal-oriented leadership which believed to have a unique opportunity to change the system. On the one hand, this approach allowed to craft an ambitious, rather coherent policy in a short period of time, with clear goals and a complex and fine-tuned policy infrastructure. On the other hand, no alternative was seriously explored to the campus model, probably because this model was perceived as successful, as already adopted by reputed European countries and coherent with EC guidelines in the modernization agenda. Some important contextual conditions were not sufficiently taken into account, such as the federal nature of the Spanish system and the potential impact of the global financial crisis. In other words, this approach limited the capability to foresee upcoming obstacles, as policy designers did not take too seriously the warnings on the fact that the Bologna process and upcoming economic crisis could limit the resources available. As a consequence, when the lack of funds from the government was acknowledged (beginning 2009), policy designers were fully committed to the design process, and they accepted the loans solution in order to proceed. The loans had several downturns that emerged later. In particular, as Spain signed the Stability Pact and the interest rate was gradually increased, no region agreed that their universities were to receive loans anymore. In turn, there are seemingly some trade-offs in the way a policy design process is managed. Strong leadership and goal orientation can increase the speed of the design and avoid the risk of diluting the main objectives. However, when the policymaker's ambition is to profoundly change the system, this may require to involve important actors and stakeholders during the design process in a more systematic manner, including members of the opposition party. This consideration appear particularly salient for system characterized by a decentralized form of governance, where regions need to be actively involved in the design of the policy and its goals.

Fragmentation of the higher education system was claimed to be a major motivation for aggregations. Nevertheless, if the sheer number of

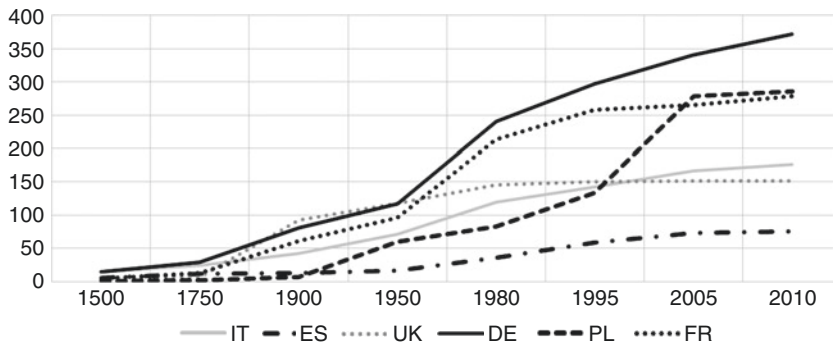


Fig. 1 Number of HEIs in the five largest European countries between 1500 and 2010

Higher Education Institutions (HEIs) is taken into account, then Spain has the lowest number of institutions among the largest European higher education systems, even when the system size is taken into account (Fig. 1). Similar figures are observed when the number of public research active universities is considered.⁶ This suggests that policies and their goals are sometimes influenced and justified by perceptions rather than empirical evidence.

The reform was expected to introduce more competition and status differentiation between institutions. Given the importance of reputation and status in academia, the initiative was able to gain much interest and considerable effort was produced in attempting to gain a label of 'excellence'. Yet, the Spanish system was traditionally based on low status differentiation between institutions, and the attempt to create a status differentiation produced a strong reaction from excluded parts of the system. These actors (universities and regions) exerted political pressure in order to re-establish their rank position in the system. In turn, the importance of status for the academic system provides a leverage to the policy reformer to attract attention and efforts, even without a large investment of resources. However, creating status differentiation is a very sensible issue whose consequences are to be taken into account. The process should not be constructed as a zero-sum game, where some institutions gain in status and implicitly other institutions see their position in the system endangered. The solution identified by the International Assessment Committee to reduce the level of pressure was to recognize that also other institutions

were excellent, even though of regional (European) level, making the outcome of the selection politically more acceptable. Further, the selection process should be as robust and transparent as possible; in this particular case, the high reputation of committee members guaranteed the quality of the process. Eventually, given the goal to spur competition and differentiation in the system, other approaches such as a research evaluation exercise may result in a more gradual and objectively perceived process, which avoids an abrupt change. If the main goal is that of spurring aggregation, synergies and collaboration, then the lever of resources may be preferable to the lever of status, as implying a lower degree of conflict.

Funds were allocated mostly in the form of loans. However, loans can create unintended incentives that should be taken into consideration. In fact, the university administration in charge enjoys mostly benefits from accepting the loans, increasing their capacity for action, while the costs related to the loans burden future administrators. In the CEI experience, the regions had an important role in financial supervision, avoiding that loans could be given to universities in deficit.

In summary, this case study highlights how reforms can be founded to some extent on rational myths (Meyer and Rowan, 1977), encompassing the reasons for a HE system's problems – in this case, the excessive number of HEIs – as well as isomorphic processes leading to mimic initiatives deemed as successful. It warns also on the risks of adopting solutions from other countries when the same conditions cannot be replicated. Particularly, the relatively small amount of available resources has substantially reduced the capability of the reform to successfully meet most of its intended goals.

NOTES

1. Moreover, an important share of the research activity in Spain is run by institutes managed by national public research bodies (e.g. the Higher Council of Scientific Research, Consejo Superior de Investigaciones Científicas [CSIC]), and in recent decades, the regions also established research organizations, thus driving important parts of scientific and academic excellence outside the universities.
2. The committee profile was proposed by the Ministry of Education after agreement with the Conferencia General de Política Universitaria (General Conference on University Policy), a body formed by the university officials of each of Spain's 17 devolved regions. The Committee comprised a Spanish researcher enjoying an international reputation, an internationally recognized architect or engineer with special expertise in campus design, a

member of the European Institute of Technology or of the European University Association, an expert involved in the French Opération Campus programme, an expert involved in the German Exzellenzinitiative programme, a representative of a European association of research universities, a representative of a European student association, a member representing social partners and a member representing economic stakeholders. The names are listed on the Spanish Ministry of Education's website (www.educacion.es/campus-excelencia.html)

3. The progress reports had to include: (1) a summary of the progress (up to four pages); (2) quantitative and qualitative description of activities using indicators, use of resources and milestones on the four strategic axes of the programme: (i) teaching improvement and adaptation to the EHEA; (ii) scientific improvement and knowledge transfer; (iii) development of a social campus model and (iv) interaction with the territorial and business environment (up to 10 pages, excluding tables); (3) governance of the campus (up to three pages).
4. Scoring was on a three-level scale: A (good progress) – no need of further action besides sending annual reports; B (reasonable progress) – need to address specific weaknesses and follow recommendations in the next progress report; C (low progress) – removal of the CEI label. In practice, however, a C score was not followed by a removal of the label
5. Except loans for two regions Madrid and La Rioja and the direct grants from the Ministry to the Strengthening subprogramme.
6. 105 Germany, 69 France, 77 Spain, 82 Italy, 106 Poland, 130 UK.

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External Links

Ministerial page with official documents on the Campus initiative <http://www.mecd.gob.es/educacion-mecd/areas-educacion/universidades/convocatorias/entidades/campus-excelencia-internacional.html>

CEI and CEIR selected – by year

2009:<http://www.mecd.gob.es/educacion-mecd/areas-educacion/universidades/convocatorias/entidades/campus-excelencia-internacional/2009/seleccionados.html>

2010:<http://www.mecd.gob.es/educacion-mecd/areas-educacion/universidades/convocatorias/entidades/campus-excelencia-internacional/2010/seleccionados.html>

2011:<http://www.mecd.gob.es/dctm/sede/catalogo-tramites/becas-ayudas-subvenciones/centros-docentes/universitarios/campus-excelencia-internacional/2011/excelencia/2011-resolucion-concesion-calificacion-cei2011.pdf?documentId=0901e72b80fd2162>

Evaluation report on the International assessment committee for campus progress:
<http://www.mecd.gob.es/dctm/ministerio/educacion/universidades/acta-firmada-com-int.pdf?documentId=0901e72b81494e82> (Example – year 2012)

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PART III

Institutional Relationships

Setting Up Associations in Flemish Higher Education

Jeroen Huisman and Jelle Mampaey

INTRODUCTION

The structural reform in Flanders, initiated shortly after the start of the new millennium, operationalised through the 2003 Decree on the structure of higher education (HE), revolves around closer cooperation (through the setting up of associations) between the two types of HE institutions in Flanders: universities and university colleges (*hogescholen*). That cooperation would serve another important goal, namely to upgrade two-cycle programmes (‘academisation’) offered at the *hogescholen*. As will be explained in more detail below, the position of these two-cycle programmes, next to one-cycle programmes at *hogescholen* and two-cycle programmes at universities was considered problematic and the Bologna Process was seen as a trigger that prompted policymakers to deal with this issue.

The choice for Flanders as a case country needs to be seen in the context of nation state developments in Belgium. Both the Flemish and

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Walloon regions had their own ministries for compulsory education from 1981 on, but when Belgium became a federal state in 1988, also HE became a matter for the regional governments. This justifies a focus on the Flemish region with a self-contained HE system and its own policies and regulations. Since the federalisation, quality, autonomy and deregulation have been key topics on the Flemish HE policy agenda (Verhoeven, 2008, p. 45).

The structural reform process can be further contextualised by addressing the preceding reforms that took place in Flemish HE. The first important reforms after the federalisation pertained to the two sectors of the system: the 1991 Decree on Universities and the 1994 Decree on University Colleges. Whereas the former primarily involved 'updating' the regulations, the latter also implied a structural reform, namely a large-scale merger operation, significantly changing the HE landscape. The small size of many of the about 160 university colleges was deemed problematic and a merger operation was set in motion. The 1994 Decree suggested university colleges should have at least 2,000 students and offered financial incentives for the merger processes. These processes took some time, but 10 years later there were around 20 university colleges, the largest at that time (Ghent University College) having 12,000 students and most colleges having more than 2,500 students (Verhoeven, 2008, p. 46). It is important to add that around the time of the structural reform, the university college sector enrolled more students (almost 159,000) than the university sector (almost 57,000 students). Nowadays, the university sector has grown as a side effect of the structural reform and is larger than the university college sector (see below).

The steering context in which these reform and policy developments took place should be assessed as follows. Van Heffen et al. (1999, pp. 104–108) argued that there were – in the beginning of the 1990s – still slightly different steering models for different sectors of the system, but overall the sovereign model dominated (deregulation and autonomy for HE institutions, see also Wielemans and Vanderhoeven, 1991) with gradual moves towards a market model (that stresses the economic value of education and *ex post* evaluation). A reflection from the mid-2000s (Verhoeven et al., 2005, pp. 146–147) confirms that there was a development towards 'more market', but that there was still considerable influence of the government and significant autonomy (of academics and the HE institutions).

THE BACKGROUND OF THE 2003 STRUCTURAL REFORM

The 1999 Bologna Declaration was the most important reason to consider a fundamental structural reform in Flemish HE, although in the interviews it was also consistently argued that powerful actors in some universities (and especially the KU Leuven) conceived the reform as a tool to strengthen their competitive position in the Flemish system and were eager to be involved in associations. The Bologna Declaration called upon European ministers responsible for HE to contribute to the comparability in standards and quality of HE qualifications. The development of easily readable and comparable degrees (based on an undergraduate–graduate model) was key to that overall aim. The Declaration and ensuing Bologna Process posed some challenges to the Flemish HE system. University colleges – until then – offered both one-cycle 3-year programmes and two-cycle programmes of (at least) 4 years. The latter were labelled ‘degree programmes at an academic level’, to be distinguished from academic degree programmes offered by the universities.

The existence of ‘academic level’ programmes at university colleges was deemed ambiguous, but it is fair to say that the ambiguity did not emerge through the Bologna Process. Coenjaerts and Van Weel (2007) argued, referring to Borret (1980), that the ambiguity of the two-cycle programmes at *hogescholen* has been commented upon much earlier. Also, the explanatory note to the 2003 Decree discusses the historical roots of the problem. Thus, the policy problem had already been on the agenda for a much longer time, but the urgency to solve it increased through the pan-European developments. This was confirmed by some interviewees, who argued that the Bologna Process created a window of opportunity to address a long-lasting challenge. One of the interviewees argued that a specific problem in the Brussels region – the decline of student numbers – played a role as well. This problem led a university college director in that region to venture the idea of stronger cooperation between HE institutions. The idea of associations was launched, which was quickly picked up by the Ministry of Education and Training. The idea of further and stronger cooperation in Flemish HE is not novel, but fits with earlier policy attempts to change the HE landscape. Verhoeven and Elchardus (2000) report on the legal possibilities for universities and colleges (in the 1994 Decree) to cooperate in the area of research. These authors also reflect on the continuous preoccupation of Flemish policymakers with the rationalisation of the programme offer, signalling that increased cooperation and coordination would increase the

efficiency of the system. From this perspective, it seems like various ideas for cooperation within each sector and across sectors were ventured in the past, but none of these implied, neither necessitated (from the perspective of most stakeholders) a significant structural reform. As said, the Bologna Process tipped the balance and led to further thinking and action at the Ministry of Education and Training.

According to the policy documents, particularly the draft 2003 Decree, the associations were to be seen as the vehicle for the so-called ‘academisation’ of the two-cycle programmes of the university colleges. The explanatory note to the 2003 Decree (*Vlaams Parlement*, 2002–03a, p. 10, our translation) describes academisation as ‘the codification of the recognition of degrees offered by the university colleges. One could even speak of the codification of the introduction of “academic equivalence” of the degree certificates of the programmes of university colleges and universities’. The 2003 Decree allowed the establishment of associations between one university and (at least) one university college. Associations would be involved in teaching, research and services, but cooperation would also include strategies related to innovation and human resource management. The key assignment was, however, to take care of the academisation of the two-cycle university college programmes.

OBJECTIVES OF THE STRUCTURAL REFORM

In a parliamentary hearing in February 2003 (*Vlaams Parlement*, 2002–03b, hearings concerning the restructuring of higher education, pp. 41–45), it was argued that the strategic goal of the decree was to create a Flemish HE area within the broader context of the European Higher Education Area. As such, it was a reform that would make the Flemish qualification structure ‘fit’ with the expectations of the 1999 Bologna Declaration. That new qualification structure – after the finalisation of the academisation process – would not only be transparent but also flexible: allowing students more choices during their educational careers, which would also help to reduce (socio-economic) inequalities in access and participation.

The key instrumental goals were the introduction of new types of degrees: not only professional bachelors and academic masters but also various bridging programmes to allow students to make smooth transitions throughout the system. Further goals were the introduction of a new quality assurance system (accreditation) and the setting up of associations.

Table 1 Overview of means-ends relationships

<i>Means</i>	<i>Ends</i>
Associations	Efficient supply and transparency of programmes
Academisation of two-cycle programmes at university colleges	Improving the quality of programmes, enhancing transitions between programmes
Accreditation	Securing the quality of programmes

This chapter particularly focuses on the academisation process carried out in the associations: associations were to be formed to improve the quality and efficient supply of programmes and to strengthen the research-teaching nexus (academisation) in the two-cycle university college programmes (*Vlaams Parlement*, 2002–03a, p. 25). The developments regarding quality assurance are relevant; however, these were not radically new policies: changes were made in existing policies and instruments (see Van Damme, 2004). Accreditation does play a key role in the structural reform, however, in that the two-cycle programmes of the university colleges ultimately needed to be accredited. Looking back at the draft decree (*Vlaams Parlement*, 2002–03c) and its explanatory note, it seems the instrumental goals were rather specific (focus on three or four key areas), result focused and time bound (new programmes proposed by associations ultimately in June 2004, advice Recognition Committee November 2004, planned acceptance by government ultimately January 2005). The goals of the reform were to a limited extent measurable, for the term academisation was hardly operationalised. From the policy papers, it seems to imply that there should be a stronger involvement of lecturers of the two-cycle programmes of the *hogescholen* in research. In concrete terms, this could imply offering staff to do PhDs and also allow them to cooperate with colleagues in the university sector. It was less clear how this would translate into the nature of the two-cycle curricula (e.g. in terms of the teaching-research nexus). In Table 1, the key means and ends are summarised.

THE POLICY DESIGN PROCESS: LIMITED SET OF OPTIONS, SWIFT DECISION-MAKING

As explained above, the idiosyncratic nature of the Flemish qualification structure with an ambiguous position of the two-cycle programmes ‘at an academic level’ within the university colleges posed some challenges. Verhoeven et al. (2000), in their research on the missions and function of

Flemish university colleges and universities, reflect on the policy options available at that time and explore two directions (note that Verhoeven and colleagues could not yet have been aware of the governmental proposals, these only emerged in 2001). One was to stick to the then typology of three different programmes (professional short-cycle programmes, two-cycle programmes of an academic level and academic two-cycle programmes). The other direction would be to create 'Bologna type' one-cycle programmes, leading to access to the labour market and two types of master's programmes, one more academically oriented, the other more geared towards the professions. Verhoeven et al. (2000) seem to suggest that university colleges were to offer professional bachelors and masters, and that universities would offer academic bachelors and masters. This is supported by later work of Verhoeven (2008) arguing that most university colleges did not have the research infrastructure or tradition equivalent to the universities (e.g. most teachers and students in the colleges stressed the preparation of students for the labour market, Verhoeven et al., 2000, 2002). Dittrich et al. (2004) ventured – but they do this with hindsight – that university colleges could have been upgraded to universities, but note that this would lead to a politically unacceptable fragmentation of (research) capacity. Direct integration of the two-cycle programmes in the universities would not be acceptable, for it would go against the regional function of the university colleges and would – probably – also affect access to HE negatively. Furthermore, keeping the one- and two-cycle programmes in the university college sector was seen as a quality impulse for that sector. Moreover, the setting up of associations was seen by some university colleges as an instrument to gain academic status. An advantage of the associations for the universities would be to get better access to potential students in the region.

The policy options above reflect the preferences and positions of the key stakeholders involved. For university colleges, there was something to gain through a better positioning and transparency of their two-cycle programmes. For universities, there was no immediate threat, for they would be involved in the academisation process. This does, however, not imply that there would only be benefits. According to some of the interviewees, some actors in universities and university colleges understood that, in the longer term, the developments towards associations could imply a tug of war on the eventual location of the two-cycle programmes. The interviews confirm that there was actually only one viable policy option: to work on the academisation of the two-cycle

programmes and use the association as the organisational vehicle to achieve that objective. This idea was worked out in detail by a small group at the higher levels of the Ministry of Education and Training, including the director of the Flemish Interuniversity Council, the director of a University College in Brussels and the secretary general of the Christian Employers' Association (ACW). Around this small circle, there were influential persons engaged, among others the rector of the KU Leuven, André Oosterlinck. Reflecting on this phase of the policy design process, most interviewees agreed that the process may have been at odds with how policy change would 'normally' evolve (including a much broader set of stakeholders, possibly including a so-called *maatschappelijk debat*, a public discussion on the topic). Such a public discussion would fit the consociational nature of political decision-making in Flanders. Vercruyse (2009, p. 21), however, reflects that many structural reforms in Flanders are 'decided upon by a small group of relatively like-minded persons, with limited feedback or input from stakeholders in the field of higher education' (our translation). In that sense, one may be tempted to judge the design phase as 'undemocratic', but this would be a rather strong verdict. Interviewees agreed that there was a lot of discussion with many involved, also with key persons in the administration of the Ministry of Education and Training, although some interviewees also argued that the design phase was strongly influenced by a limited number of powerful actors from the university sector, including the rector of the KU Leuven. Furthermore, those involved stressed that swift action was called for: Flanders needed to respond rather quickly to the Bologna challenges to forestall that Flanders would be lagging behind. Opening up the discussions beyond the inner circle could have led to serious delays in the policy developments. An important contextual condition played a role here as well: at that time (1999–2003), the first 'purple' government (i.e. a socialists–liberal coalition without the Christian democrats who had been in almost all governmental coalitions since World War II) was in power, which had to tread carefully, given that the majority of students were enrolled in Catholic HE institutions.

A green paper appeared in March 2001, followed by a preliminary draft of the decree in October 2001 and a first draft of the decree in November 2001. In January 2002, a broad working group (with representatives of the universities, university colleges, students and the Flemish Education Council (VLOR)) was set up to discuss the restructuring. The working

group also communicated with other councils (Flemish Interuniversity Council [VLIR] and Flemish Council of University Colleges [VLHORA]) but their influence was not fully clear. According to the interviews, some universities (especially the KU Leuven) and university colleges (strategically) understood much better what was at stake than others, and were much more actively involved in the initial phases of the process.

Subsequently, Minister Vanderpoorten proposed the following to the Flemish Parliament in February 2003. Associations would be new legal bodies in which at least one university college and no more than one university would participate. The purpose of the associations (according to article 101) was to (1) organise cooperation between professional bachelors and academic degree programmes, including transfer opportunities; (2) support the coordination of research, in particular the translation from fundamental research to applied research and vice versa, and the coordination of innovation; (3) to coordinate logistics in general and (4) to act as a forum to prepare the evolution towards the integrated HE area. Associations have certain responsibilities – stipulated by the law – relating to the offering of a rational supply of programmes; the coordination of educational profiles, student guidance and transfer; the coordination of personnel policies; long(er)-term plans for educational innovation and improvement; development of long(er)-term plans for scientific research and scientific and social service provision; and supervision of the link between research and teaching in the colleges that offer academic education (Verhoeven, 2008, p. 47). The proposal as set out above was not similar to the initial proposal of the Minister a few years earlier. In the policy design stage, the proposal underwent some changes.

Two important changes were made throughout the discussions from the initial ideas proposed in 2001 and final acceptance in Flemish Parliament. First, at earlier stages, there was talk of regional associations, the idea being that universities would work together with nearby university colleges. The idea was ventured, particularly by the liberal party, as a vehicle to break the (historical) power of the Catholic HE institutions. According to the interviews, there was very limited support within the inner circle for regional associations, for this would go against the idea of internationalisation and globalisation. Also, it would mean an intrusion of the generally accepted freedom of education (Coenjaerts and Van Weel, 2007, p. 42). Second, initially the legal constructions were ‘light’ in that the associations would have limited powers concerning matters such as personnel, the delegation of educational decisions and full-blown mergers. There was consensus among the key stakeholders

that the associations should not imply the emergence of new (HE) institutions. They were meant to be administrative arrangements. A lobby of Christian democrats (as said, at that time in the opposition) during the parliamentary discussions in April 2003 led to a non-exhaustive list of powers in the decree, in fact offering more powers to associations beyond administrative matters. The decree was discussed in April 2003 and accepted (supported by a very large majority of the Members of Parliament), it appeared in the *Belgisch Staatsblad* in August (*Belgisch Staatsblad*, 2003).

The policy tools included in the reform process were twofold. The 2003 Decree obviously was strongly regulatory (authority tool), although there were some elements of self-regulation. Self-regulation pertained, for example, to the further operationalisation of the accreditation processes (including the involvement of various stakeholders) and the further concretisation of the process of academisation. Obviously, this self-regulation process was not without sticks: the programmes eventually needed to fulfil the academisation requirements to receive accreditation (and hence governmental funding). Next to the authority tool, the government made funds available to implement the academisation. In article 152 of the Decree, it was specified that 37.5 million euro would be available for the period 2002–2006. There were also some supplementary funds for research at the university colleges. In various academic papers, serious concerns were raised that the funds would not suffice (Dittrich et al., 2004, p. 314). Coenjaerts and Van Weel refer to a calculation of Heijnen (2006), who argued that 175 million euro would be needed (see also Verhoeven, 2004–05).

As argued above, it appears that the structural reform proposed was – at that time – the only realistic and viable policy option to make the Flemish degree and qualification structure fitting the Bologna expectations. The essence of the policy proposal did not change fundamentally in the period in which it was publicly discussed (March 2001–April 2003) with a limited set of stakeholders, there was no public outcry or resistance from key stakeholders, probably also because many could not foresee that the structural reform in the long run would lead to monopolistic status of some universities. In one interview, it was also argued that there was resistance, especially from the university college sector, but the powerful actors associated with the KU Leuven were at once very successful in countering this resistance by silencing the university college sector. Hence, there was consensus-driven convergence towards the policy proposed, the small set of key actors agreeing on the common

course of action, with minor changes in the initial proposal, although it could also be argued that this consensus was enforced by the most powerful actors. These elements seem to point either at realistic policy-making or at having developed a ‘proper’ solution to the problem. If one were to be critical of the process, it could be argued that the Minister was ‘pushing around the hot potato’ by not immediately solving the ‘problem’ of the two-cycle professional programmes of the university colleges. Then again, it seemed reasonable to first allow the programmes to change their profiles and only then to decide where to locate the (accredited) programmes. Some of the interviewees shared that some key players involved could already foresee the ultimate outcome of the process (embedding the two-cycle programmes in the universities, see next section), but many were not sure about the eventual outcomes. Vercruyse (2009, p. 21) reflects that – with hindsight – it might have been better to stick to a distinction between bachelor and master programmes and to create a broad set of different programmes, not all necessarily being involved in academic research (but also applied research), but still meeting the requirements of the Dublin descriptors and the European Qualifications Framework. The choice for a rather strict distinction between professional and academic programmes – based on a too narrow inward-looking approach – may have been artificial.

FIRST MOVERS AND LATE ADOPTERS IN THE IMPLEMENTATION PROCESS

Initially, Flemish HE institutions showed eagerness to be involved in the associations (for predecree associations, see Tavernier, 2005) related to the strategic goals of the institutions themselves (De Knop, 2012). Through the formation of associations, universities could increase student numbers which could affect their market position in the competitive field of Flemish HE. Eventually, associations were formed around the five largest universities of Leuven, Ghent, Antwerp, Brussels and Hasselt. The government did not allow the Catholic University of Brussels to form an association for its small size. Interviews consistently confirmed that the KU Leuven took the lead in the implementation process. Rector Oosterlinck’s influence was already visible in the design phase, in which he strongly opposed the idea of regional associations. The regional context of his university would not allow the university to remain the largest

institution: the number of university colleges to associate with in the region was small. Hence, Oosterlinck established a cross-regional association building upon strong network ties with other (predominantly Catholic) university colleges. This turned out to be a highly successful strategy for the KU Leuven to remain the largest institution in the long run, reinforcing its competitive position.

Clearly, interviewees unanimously saw the KU Leuven (and also Ghent University) as early adopters, being the largest and most reputed universities in Flanders. The other three universities were perceived as rather passive followers. The universities in Leuven and Ghent considered the implementation as a means to strengthen their competitive position, whereas the late adopters followed a strategy of compliance with the coercive pressure (the 2003 Decree). Most Flemish university colleges already chose for associating with either the KU Leuven or Ghent University before the other three universities started searching for partners. Interviews consistently indicated that these three universities, after the fact, considered the late adoption a missed opportunity to grow as universities.

Besides the universities and university colleges, other actors involved in the implementation process were external committees and advisory councils. However, the coordinating role of the universities was of crucial importance (Gysen et al., 2006), with important roles for internal committees of the universities. Universities were the formal leaders of the implementation process and could operate by and large independently. Universities had much room to decide how to implement the structural reform, in that there was no formally published implementation plan. This also implied that the implementation of the structural reform allowed for a large degree of local variations (adaption to local context) and that the Ministry of Education and Training had high trust in shop-floor implementers. Therefore, the implementation style can be characterised as bottom up.

Apart from a lack of guidance on contents, it was also not clear how the financial resources should be used. Interestingly, it is not entirely clear whether the lack of clarity was a barrier or an opportunity. On the one hand, it could be argued that the absence of a plan implied high levels of uncertainty on how to transform the two-cycle programmes. The Ministry of Education and Training admitted that the original definition of the implementation process was rather vague and insufficient to encourage shop-floor implementers to transform the programmes (Verhoeven, 2004–05). An external

committee (Committee Martens, reporting in 2005) was established with the aim to reduce uncertainty. On the other hand, one interviewee suggested that the vagueness of the original definition was an intentional strategy for there were concerns that more specific definitions (e.g. being explicit on the ultimate location of the two-cycle programmes, either at university colleges or universities) would lead to strong resistance of (some) shop-floor implementers and ultimately the failure of the academisation process. Furthermore, the absence of detailed planning could also be seen as providing a climate of trust, giving shop-floor implementers room to manoeuvre and the ability to implement the policy in function of local contexts.

The result of the Committee Martens was the specification of what academisation entailed, with a focus on research-based education on the one hand and research staff development at university colleges on the other. Uncertainty was, however, not entirely reduced, for instance with regards to the type of scientific research that was required at university colleges (Gysen et al., 2006). Initially, resources were mainly used to increase the number of research staff members at university colleges, which was criticised by the Recognition Committee, the committee that advised the government whether the academisation had been realised.

Communication among actors especially occurred within and between associations. Coenjaerts and Van Weel (2007) argue that the associations are relatively flexible in that there are no absolute boundaries between the five groups and they regularly communicate with each other and meet in other network structures. Direct communication between the ministry and shop-floor implementers was rather limited. The role of the ministry was restricted to developing and monitoring the overall policy framework, although in some interviews it was stressed that the ministry kept its distance.

It has to be stressed that the shop-floor implementers had two – somewhat conflicting – perspectives on the structural reform. On the one hand, a strategic perspective, indeed pushing institutions to act swiftly (De Knop, 2012, see also above) and an operational perspective, stressing the challenges of educational change – a complex institutional change process – at the micro-level (Verhoeven et al., 2002, Verhoeven, 2004–05). Van Nieuwenhove (2004–05) reports that soon after the 2003 Decree, a supplementary decree (2004) changed the implementation pattern. He argued (see also Dekelver, 2007) that the decree included ‘poor indicators of the operational requirements and instruments to reach the quality criteria’ (Dekelver, 2007, p. 585, our translation). The associations were, therefore, allowed to take more time to implement the

academisation. The Recognition Committee would take stock of progress in 2006 and by 2012–2013 all two-cycle programmes of the associations needed to be fully accredited.

Even in light of a more ‘relaxed’ implementation, major concerns were raised about the resources the implementers had at their disposal (Verhoeven, 2004–05). Even though the report of Committee Martens yielded some insights in what should be understood by academisation (Hoogewijs, 2005), it did not lead to a straightforward implementation. Some interviewees argued that the time frame of the structural reform was still deemed unrealistic given that it required university colleges to change their organisational cultures. Universities had strong research cultures in contrast to the teaching and service cultures of the university colleges. Changing organisational cultures was especially challenging in Flemish university colleges where around two-thirds of the staff members were 45 or older and had always been working in a teaching and service culture. From the interviews, it became clear that most managers of university colleges were usually in favour of academisation in that they perceived it as a huge push factor for the status and the quality of the programmes (one specific two-cycle programme – Industrial Engineering – even had a lobby group to push forward the academisation of the programme), but this view was not shared by the staff members, who were often much more sceptical. Hence, the structural reform did not entirely fit the existing institutional context in that there were (powerful) actors who strongly supported the implementation process, whereas other actors (who actually were supposed to implement the reform) were against or not enthusiastic about the structural reform.

Although the government provided financial resources to support the implementation processes, as argued above the amount was deemed largely insufficient (see e.g. Verhoeven, 2004–05). University colleges (and programmes) strongly differed in the financial resources available to transform. It should also be noted that there were strong inter-institutional differences in the workload of associations in that the relative number of university college students was much higher in some associations, especially in Leuven, Antwerp and Hasselt (Leuven 21,131/12,823, Ghent 19,500/4,916, Antwerp 7,389/4,336, Brussels 6,293/1,255, Hasselt 2,042/1,211) (De Moor, 2005). In similar terms, Hoogewijs (2005) speaks of a lack of funding and couples this to a poor infrastructure, high teaching loads and demands and a lack of a research culture.

Universities had to develop their own instruments and processes to monitor the implementation process (Gysen et al., 2006), although they also had to report to the external committees that were responsible for the follow-up. From the interviews, it can be concluded that the coordination of the follow-up did not pass off smoothly. In 2008, the Recognition Committee published a report that raised doubts about the success of the implementation process so far (*Erkenningscommissie*, 2008). Van Nieuwenhove (2004–05) argues that the 2003 Decree puts a lot on the shoulders of the Recognition Committee and argued that the committee would not be able to draw clear conclusions on the academisation. Nevertheless, the Recognition Committee reported that the plans submitted varied from very good to very poor. In light of the comments of the Recognition Committee, a societal debate (*maatschappelijk debat*) emerged on the decree underlying the structural reform. Around that time, the discussion also focused on where the upgraded programmes would actually be located: to be kept at the university colleges or to be transferred to the universities (Verhoeven, 2010). From the interviews we learned that the full integration (within the universities) was already proposed earlier and many shop-floor implementers were aware of this ultimate outcome. The societal debate eventually led to a new decree (2012 Integration Decree) in which the full integration was legally institutionalised. Whether the establishment of this new decree should be seen as a success or failure of the 2003 Decree is a matter of degree, to be picked up later in this chapter.

This section has particularly highlighted factors internal to the HE system affecting the implementation: eagerness of university and university college leaders and managers, hesitance at the shop-floor level, uncertainty about what academisation actually entailed and limited funding. It has to be stressed that the effects of these factors were not unidirectionally positive or negative. For example, the ambiguity of academisation offered both some anxiety as well as leeway for fit-for-purpose implementation. The analysis pointed out that there have hardly been events or developments (outside HE) throughout the structural reform process that have affected the implementation. The economic crisis kicked in much later, when the reform process was well on its way, and only more recently (after 2010) the impacts of the crisis were noticeable in the field of HE. Neither did the fact that Belgium was without a formal federal government in the period June 2010–December 2011 seemed to have had an impact nor the half-year negotiations on the new government in 2007.

INTENDED AND UNINTENDED OUTCOMES

To a large extent, all instrumental goals were achieved and the HE landscape changed as a result of the instrumental goals being achieved. The new types of degrees (bachelor-master) have been established. The implementation was not as swift as the policymakers envisaged, but ultimately all programmes were accredited and the 2012 Integration Decree can be seen as the (legal) keystone of the restructuring process. Most interviewees confirmed that degrees have become more transparent and distinctive, although it was argued by some interviewees that the bachelor's programmes were actually not 'stand-alone' degrees, but often used as a bridge to master's programmes (see also Verhoeven, 2008). Also, the new accreditation processes have been established quickly. This was not so surprising given that these were not radically new policies, but changes in existing policies and instruments (see Van Damme, 2004). Finally, the associations have been formed, with many partnerships being explored even before the decree was accepted in parliament.

Critical notes on the outcomes can be found in the literature and were also raised by most interviewees. First, the formation of associations ultimately led to power imbalances in the Flemish HE system in that the university sector has outcompeted the university college sector, especially after the full integration of the two-cycle university college programmes into the university sector in 2013–2014, which was an unintended effect of this structural reform (see Table 2). Furthermore, power imbalances between associations could also be identified. The market share of the Association Leuven is now around 40 % of the total number of Flemish students. One interviewee even spoke of a socio-religious compartmentalisation between Catholic and non-Catholic institutions. Arguably, in a small HE system like the Flemish one, a limited number of powerful actors can act as 'institutional entrepreneurs' (cf. Greenwood and Suddaby, 2006), hence strongly affecting structural reforms to their own advantage.

Table 2 Number of students enrolled in Flemish higher education (www.ond.vlaanderen.be)

	2003–2004	2011–2012	2012–2013	2013–2014	2014–2015
Universities	56.603	86.267	88.794	116.135	116.269
University colleges	158.733	132.741	136.153	113.788	116.166

Academisation – the ultimate goal of the associations – has been successful, but critical voices argue that the process was never fully realised (De Clerq, 2009; Verhoeven, 2010). Also, some HE institutions and programmes have been more successful in the implementation than others. For instance, the academisation of the so-called ‘school of arts’ has been a highly problematic process (Tindemans, 2012). It can be argued that the research-teaching nexus (academisation) in the two-cycle university college programmes has only strengthened incrementally. Analogously, there is no evidence that the quality of these programmes has improved significantly, despite formal accreditation. As it is unclear whether academisation and quality improvements have actually taken place, it could be argued that the actual teaching activities have been relatively unaffected.

EXPLAINING SUCCESS AND FAILURE

Notwithstanding the critical notes, formally the structural reform was a success in that the HE landscape structurally changed and all programmes were eventually accredited. The formal success can partly be explained by the policy design process. It appeared that consensus was achieved on the viability of one policy option: academisation of two-cycle programmes and setting up associations between universities and university colleges as a means to achieve the academisation. Although a lot of the preparations may have taken place in inner-circle working groups and discussions and it could be argued that some powerful actors may have enforced their views, key stakeholders were heard. The initial ideas ‘survived’ the discussions in parliament with some changes. One of these (stepping away from regional associations) would have a far-reaching consequence for the HE landscape. The steps to achieve the ultimate objective are carefully planned and logically hang together, even though at the start of the policy process there were not many alternatives available or ventured later in the process. These elements either points at realistic policy-making or at having developed a ‘proper’ solution to the problem.

Other key success factors are related to implementation processes. First, the circumstances (the contexts in which the structural reform took place) were relatively stable during the implementation process. Second, some powerful shop-floor implementers acted strategically: they perceived the structural reform as a source of sustained competitive advantage. Third, although the financial incentives were considered insufficient, this situation also led to a weak pressure on shop-floor implementers to succeed, which may have been a facilitator of change.

Informally, the success is less clear, especially regarding academisation. From the perspective of organisational institutionalism, it could be argued that the structural aspects of the reform – in particular the HE landscape change – have been decoupled from actual changes of the teaching activities (cf. Meyer and Rowan, 1977). Institutional scholars have demonstrated that the likelihood of decoupling is higher in the context of conflicting and ambiguous goals, resistance of key constituencies and resource stringency (cf. Rasche and Gilbert, 2015). In our case, all these antecedents were present. Academisation was an important goal, but its definition and operationalisation were ambiguous. Key constituencies, in specific the staff members in university colleges, resisted academisation. And finally, there were insufficient resources (money, time) to realise the academisation.

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Finnish mergers: Change in the Context of Continuity

Terhi Nokkala and Jussi Välimaa

INTRODUCTION

This chapter focuses on three prominent university mergers in Finland which took place during the last decade. In order to understand the mergers and the developments that led to them, we highlight broader higher education policy change, most notably the making and implementation of the new Universities Act (558/2009). The changing discourse around the role of higher education (Nokkala, 2016) and the changing of the Universities Act took place in parallel to the merger processes, thus forming the broader political context which the structural development took place. In our analysis, we take as our central perspective the roles of the national actors to introduce national translations and solutions and local interests into the forum of national policy making (Kauko, 2014); while recognising the roles of international discourses (Nokkala, 2007, 2016) and policy influences (Piironen, 2013; Kallio, 2009; Kauko and Diogo 2012).

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In 2009, there were 20 universities in Finland. In 2016 the number was 14.¹ This reduction is a significant reversal of the earlier trend of establishing ever more universities and polytechnics, stemming in the first phase – from the late 1950s to 1970s – from the Nordic welfare state ideology of expanding higher education to cater for the masses. Providing equal educational opportunities for all citizens indifferent of their gender, socio-economic background or geographic location was one of the most important policy objectives. Simultaneously, this policy itself can be seen as an instrument to make Finnish welfare society more equal. In the next phase, the 1990s, the higher education system further expanded to universal access through establishing polytechnics, spurred by the belief that establishing higher education institutions around the country would increase the qualifications of the labour force and thus contribute to the economic development of the country and help keep the entire country populated (Välilmaa, 2012; Saarivirta and Jaatinen, 2016). This development was followed by the establishment of numerous university centres, that is, satellite campuses of universities located in towns without a university of their own.

However, these policy goals for higher education began to change from the 1990s onwards. First changes resulted from the economic depression in the early 1990s, and then more reforms followed in the 2000s due to concerns about the competitiveness of Finland's numerous higher education institutions in the context of globalisation (Kauko, 2014). More attention was paid to global competition and legislators saw institutional autonomy as the main element in their response, which led to new Universities Act (in 2009) and mergers of universities and polytechnics in the 2010s. Larger higher education institutions would be strong and efficient, they would have the capacity to act more autonomously, and in consequence they would be more successful in the increasing global competition.

We analyse the structural reform and its implementation in the Finnish higher education context. Our analysis is based on a research literature review and on numerous reports generated during the process of planning and implementing the structural reforms taking place in the latter part of the 2000s. Additional information was collected through a number of interviews with actors in the reform process.

THE DYNAMICS OF CONTINUITY AND CHANGE IN FINNISH HIGHER EDUCATION

Understanding the social dynamics of a given country's higher education system is necessary in order to understand any major policy change (Välilä and Nokkala, 2014). Social dynamics point to significant elements of both continuity and change, which play out in the structural development of the Finnish higher education system as it has taken place in the last decade (Kauko, 2014).

The Finnish policy making tradition, characterised by relatively slow evolution rather than radical change (Kauko, 2014), is a significant factor in understanding the large degree of continuity of Finnish higher education policies. Successive governments in the past 20 years have aimed for more or less the same policy objectives, indifferent of their divergent political ideologies. This tradition is supported by the value basis of a Nordic welfare state, rooted in equality of educational opportunities (Arnesen and Lundahl, 2006), and which includes in regard to higher education respect for institutional autonomy in combination with valuing effectiveness and efficiency of the higher education system. Against this backdrop of continuity, the instruments for achieving these values have varied over time (Saarivirta and Jaatinen, 2016).

The continuity of policy objectives is also supported by three pragmatic matters of fact. First, Finnish governments are always coalition governments, which constrains them to relatively moderate government agendas, even though more extreme political voices may be vocal in press and media. Second, the Ministry of Education (since 2011: Ministry of Education and Culture) represents continuity in the field of educational policy in Finland. Consequently, development plans for the education and research policies have been drawn up by each new government every 4 years, but the value-laden national objectives have not changed, despite different wordings of them.² In the years 2000–2015, five governments have been in power with all political parties having been in the government at least once. Third, and similarly contributing to the continuity of Finnish higher education policy making, is the tradition of decentralised power in which the government is used to either negotiating or at least interacting with many actors in the field of Finnish higher education (see Välilä, 2005b).

The sudden emergence of globalisation, which might be called a globalisation shock (Välilä, 2012), as a topic in public debate in Finland at

the turn of the millennium, represented a significant change in the Finnish higher education policy. The sudden consciousness about increasing international competition and economic globalisation prepared the way for Finnish higher education reforms in the early 2000s (Välimaa, 2012). The emphasis was rooted in the economic recession of the 1990s and in the following success of Finnish IT companies in the global marketplace, which earned international acclaim for Finland's knowledge society model (Castells and Himanen, 2002), and which contributed to Finland's long-standing survival narrative (e.g. Nokkala, 2008). The idea of stratification, imported with the globalisation discourse (Nokkala, 2016), meant a reversal of the earlier policy axiom of all universities being equal, and it contributed to the abandonment of the former equality policy in access to higher education, as well as the rise of new elitism (Kivistö and Tirronen, 2012; Tirronen and Nokkala, 2009).

The structural reform that we discuss in this chapter was part of a wider reform, which aimed at increasing the performance, efficiency and competitiveness of the Finnish higher education system and to create world-class universities (Piironen, 2013; Tirronen and Nokkala, 2009; Cremonini et al., 2014; cf OPM, 2007a). In the Finnish context, the concept 'world-class university' acted as a policy mechanism to promote the need for change of the higher education system. Mergers were seen as an important tactic, because they aimed to make larger units which would be more efficient and would reach higher quality. This would benefit students, academics, universities and in the end the Finnish society. Universities becoming known as world class would improve their chances to attract better professors and students and more international funding. In this way the strategy of internationalisation was related to, and supported, the mergers and the Universities Act (Välimaa, 2012; Tirronen and Nokkala, 2009).

THE INSTRUMENTAL AND STRATEGIC GOALS OF THE STRUCTURAL REFORM

More than a decade of policy discussion had preceded the 'structural development' embodied in the Universities Act and the mergers. At the turn of the millennium, a series of reports sponsored by the National Fund for Research and Development (Väyrynen, 1999), the Finnish Government (VNK, 2004), the Ministry of Education (OPM, 2004) and the National

Fund for Research and Development (Kankaala et al., 2004) had challenged the purpose of the Finnish higher education and the tradition of a large and geographically dispersed higher education system. Common to all these papers and reports was that the high quality of universities and polytechnics was depicted as crucial to improving the economic competitiveness of Finland and Finnish enterprises. The same line of reasoning was continued in the reports preparing the university mergers and the new Universities Act (Välilmaa, 2012).

The previous habit of having smaller higher education institutions around the country was most influentially criticised in the Brunila report (VNK, 2004), which focused on the challenges globalisation presented to Finland and its competitiveness. The report argued strongly that there were too many small and regionally spread units, that this was a waste of resources, and that instead spearhead institutions were needed; moreover, that Finland lacked a world-class university. The same argumentation was continued by Rantanen in the report commissioned by Ministry of Education. This report proposed that there should be both regional, teaching-oriented universities and global, research-oriented universities (OPM, 2004; Välilmaa, 2012).

Around the same time, the Finnish press started to follow the positioning of the Finnish universities on the Shanghai Jiao Tong ranking of leading research universities in the world as part of the globalisation of education. This introduced a new perspective on Finnish higher education policy by starting to compare the Finnish system of higher education with the best single universities in the world (Välilmaa, 2007). Most often the University of Harvard was used a yardstick for every Finnish university. Many academics thought that this was an unfair competitive setting as it did not take into account the differences of resources. The budget of the University of Harvard equalled the budget of all 20 Finnish universities in the 1990s (Välilmaa, 2005a).

In 2005, the Finnish government called for a large-scale reform of the Finnish innovation system, outlined in the government decision for structural development of the public research system in 2005, which sparked a move towards structural development. The decision also contained provisions to create a university system that, in selected areas of expertise, would be able to compete globally with the best units, thus contributing to the increased competitiveness of the national economy (Tirronen and Nokkala, 2009). Based on a structural development decision for the public research system, in March

2006 the Ministry of Education published a discussion paper on the structural development of higher education, stating as aim to enhance quality, competitiveness and effectiveness of higher education and research. The ministry wanted to achieve this through creating stronger units by concentrating resources in larger and fewer units. Higher education institutions were to offer education and conduct research in multiple fields, and the overlaps between institutions' educational and scientific offer were to be reduced, creating institutions with stronger, more differentiating profiles. The development of higher education system should continue to be based on a dual model of universities and polytechnics, but closer collaboration between the two sectors was to be encouraged, also with a view to the regional needs. Especially the capital region and larger cities were to be developed as internationally competitive centres for science and technology (OPM, 2006a; Tirronen and Nokkala, 2009).

Both *strategic* and *instrumental* goals can be identified for the structural development. The main strategic goal of increasing the competitiveness of the Finnish university system was outlined in the government programme of the second cabinet of Prime Minister Matti Vanhanen (2007–2011), as follows:

Universities and polytechnics will be developed on the basis of a dual model based on discrete degrees, degree titles and functions. The division of responsibility between and missions of universities and polytechnics will be clarified. The goal is to increase world-class expertise and create higher education entities that are regionally stronger and more effective in terms of knowledge. (Prime Minister's Office, 2007, p. 27)

Another strategic goal, differentiation and stratification of universities, was implied, if not directly stated in the government's Development Plan for Education and Research 2007–2012:

The profiles of universities and polytechnics will be sharpened in target and performance negotiations, in order to bring strategic priorities into clear relief, which will facilitate the targeting of research funding and competition for international research funding. Universities' research prerequisites will be strengthened in the selected strategic priority areas and especially in research-intensive universities. (Minedu, 2008, p. 34)

These two documents do not explicitly state the aim of improving the ranking position of Finnish universities. This is, however, implied by the reference to world-class universities, which in policy discussions were often framed through international league tables such as the Shanghai Jiao Tong ranking. This was evident already in the expert report (OPM, 2004) commissioned by the Ministry of Education on the structural conditions of research in universities and polytechnics; and in the report (VNK, 2004) by a group evaluating Finland's position in global economy, commissioned by the Prime Minister's Office.

The strategic goals of the structural development were related to increasing the competitiveness of institutions by creating larger units and pool more resources to them, and creating stronger centres in different disciplinary areas by concentrating more of the human and financial resources to them, thus helping to profile each institution. The structural changes were considered crucial for Finland's economic competitiveness (Kauko, 2014). According to the Ministry of Education's guidelines, the universities and departments were also expected to achieve minimum unit sizes. In 2008, the Ministry of Education outlined that the number of universities was to be cut from 20 universities to 15 by the year 2020 and each university was expected to have at least 3000 full-time students (OPM, 2008). At the time, six universities did not reach the target: Turku School of Economic and Business Administration (as we shall see below, this one was merged with University of Turku), the Swedish speaking Hanken School of Economics (remained independent) and four art schools: Helsinki School of Arts and Design (merged with the Helsinki School of Economics and the Helsinki University of Technology to become the new Aalto University) as well as Sibelius Academy, Theatre Academy and the Academy of Fine Arts (merged in 2013 together to form the University of the Arts Helsinki). Similarly, the structural reform policy contained size requirements for departments, which were to have at least five to ten professors (OPM, 2006a).

International attractiveness of the Finnish higher education institutions was one of the key concerns in the higher education policy of the decade. The internationalisation strategy for Finnish higher education 2001 outlined as the vision for 2010 that:

In the early years of the present decade Finnish universities and polytechnics will have invested in strengthening the quality of their international activities and obtained additional funding for this purpose. They will have improved

their operating conditions and can compete on an equal footing with the best modern universities and other institutions of higher education in the world. Finnish higher education institutions will have built a profile in their own areas of strength. In international cooperation, they will have focused on areas in which they command internationally significant and interesting expertise which is both exportable and can be offered to foreign students in Finland. (Minedu, 2001, pp. 50–51)

The next paper on strategy for internationalisation for the years 2009–2015 was more explicit about the link between structural reform and international attractiveness:

The structural development of higher education institutions focuses the higher education institution network in order to develop stronger and more high-quality higher education units and to promote the profiling of higher education institutions. Structural development aims at making all units sufficiently versatile and capable of conducting high-quality activities. By profiling according to their strengths, higher education institutions improve their position as credible international cooperation partners in research and education. (Minedu, 2009, p. 23)

Another key concern was the success of Finnish universities in the global university rankings (Erkkilä and Piironen, 2013). This was most explicit in the case of the working group planning the merger of the three universities in the capital region. The group set out to establish a world-class research university (called ‘university of excellence’), which in the group’s report was framed first and foremost in terms of position on the leading comprehensive and discipline-specific league tables (OPM, 2007c).

At the same time, as a contextual element, age cohorts were expected to shrink, so downsizing the sector was deemed prudent in some fields (Tirronen and Nokkala, 2009). The views on this were varied, and for example the Confederation of Finnish Employers and Industry (Elinkeinoelämän keskusliitto, EK), in its statement on the Development Plan for Education and Research 2007–2012, called for more study places in some fields (EK, 2007).

The call for stronger profiles for higher education institutions and addressing especially the areas that were considered important for the development of Finnish business and industry dated back already to a pamphlet published in 1986 by the Education Committee of the Finnish Industry and Employers (CIE). As Kauppinen and Moisio (2008) note,

the changes in the university policy in 2000's largely reflected the CIE's ideas of 1986. The Confederation of Finnish Employers and Industry (EK, the successor of CIE) continued to emphasise the importance of curbing the number of campuses and establishing clear profiles for each higher education institution through structural development (see e.g. EK, 2006). Very influential was also the report by Anne Brunila (VNK, 2004), commissioned by the Government, which stated that the Finnish universities stood at risk of losing their top expertise if the resources for teaching and basic research could not be raised in nationally defined key areas. The report also stated that only the best units, either large enough or focused enough, could succeed in global competition (VNK, 2004).

The instrumental goal to reduce the number of universities from 20–15 by 2020 was operationalised in the reports, all published in February 2007, of the three working groups the ministry set in October 2006 to investigate the possibility to enhance collaboration between universities in Turku, Eastern Finland and the Helsinki region, respectively. The reports were tactically published – under the reign of a social democratic minister of education – just before the 2007 parliamentary elections, with the purpose of influencing the programme of the next government, where the centre-right Coalition Party was given the post of Minister of Education. The reports proposed variable degrees of collaboration in each region: the universities of Joensuu and of Kuopio were to form a federation (the University of Eastern Finland), Helsinki University of Technology, the Helsinki School of Economics and the University of Arts and Design were to merge into a new 'Innovation University' (later Aalto University), and the University of Turku and the Turku School of Economics and Business Administration were to form a university consortium by 2008, envisaged to turn into a full-fledged merger by 2012. The new government's Development plan for Education and Research 2007–2012 consolidated the timeline of the process for the Aalto University merger for 2009; University of Eastern Finland for 2010, and for University of Turku for 2011 (Minedu, 2008).

THE UNIVERSITIES ACT PAVING THE WAY FOR STRUCTURAL DEVELOPMENT

The new Universities Act (558/2009) and the structural development of the Finnish university system cannot be separated, as they conditioned and enabled one another, and were inspired by the same discourse. For

instance, the Universities Act had to create room for the envisaged legal form of the Aalto University, the new, world-class entity that was to be the result of the most visible of the three mergers, that is, the one of the Helsinki University of Technology, Helsinki School of Economics and Business Administration and the University of Art and Design Helsinki (Välímáa et al., 2014; Tirronen et al., 2016).

The broad aim of the Universities Act was to increase the institutional autonomy of universities in a way that largely followed the transnational idea of autonomy (Piironen, 2013) as one element in giving them better chances in the global competition. This objective was to be reached in four main ways. First, the universities were separated from the state budget by making them independent legal personalities which had authority to conclude contracts and to run their own economic activities (own property, receive donations and make capital investments to support teaching or research). Two universities (the new Aalto University and the Technical University of Tampere) opted to become foundation-based universities (under private foundation law), whereas the remaining universities became public corporations under public law (Välímáa, 2012). However, irrespective of their administrative structures and legislative frameworks, the running operational costs of all universities would continue to be covered by funding from the Ministry of Education.

Second, decision-making structures were changed by defining the University Board as a strategic actor, responsible for the strategic institutional decisions. It was also stated that 40 % of the board members could be external to the university. The law also introduced a new decision-making body, the University Collegium, to consist of elected student and staff representatives. This body was given the power to accept annual budget plans and annual economic reports made by the University Board.

The third important change in the legislation was to strengthen the executive powers of university rectors. The rectors would be nominated by the University Board instead of the traditional election by university staff and students. Furthermore, in order to make the line of command more straightforward, the rector would appoint deans, who then appointed the heads of departments (Välímáa, 2012).

Fourth, and for academics the most important change, was the discontinuation of their civil servant status, which was changed into a contractual relationship with their employer, the university. However, academic freedom and institutional autonomy were secured by the

legislator, because both were mentioned in the Finnish Constitution (Välimaa, 2012, Nokkala and Bladh 2014).

Although the majority of the stakeholders agreed on the focal idea of increasing university autonomy, the composition of the university boards was more contentious (Piironen, 2013). As the new Act explicitly changed internal power structures (replacing traditional equality and collegial decision-making with New Public Management's managerialism) as well as the employment status of academics in all universities, the Universities Act was a hot topic in the national public debate (Piironen, 2013). Calling the reforms a 'structural development' (a term we quoted in the title of this section) can in itself be characterised a 'bureaucratically diminutive' (Kauko, 2014; p. 1690). 'Structural development' hides the complete reversal of a long-standing trend that the new Act meant, and it frames the reversal as mere technical tinkering.

While they were perhaps not directly connected with the mergers, these four legal changes paved the way for stronger, more agency oriented, and larger higher education institutions. In the previous policy discourse, the two terms of stronger and larger had been connected more or less explicitly, as we saw in Section "The instrumental and strategic goals of the structural reform."

ENGINEERING CONSENSUS IN THE IMPLEMENTATION STAGE

The implementation stage of the mergers is characterised by the will of the Ministry of Education to engineer a broad consensus with the universities about the necessity and direction of the structural development. Two major elements can be identified in the process of engineering consensus in the implementation of stage.

Firstly, the mergers were based on preceding rounds of negotiations between the universities and the Ministry of Education based on the structural reform policy of 2006. In the spring of 2006, in connection with the preparations for the performance negotiation round of 2007, the Ministry of Education asked universities to give their suggestions on structural development by the end of August 2006 (Tirronen, 2008).

The case of The University of Eastern Finland is illustrative of the process. In response to the ministry's call for proposals, the Universities of Joensuu and Kuopio set up a working group to plan closer cooperation in the field of business studies, a field offered by both universities. In addition to collaboration in business studies, perhaps in the form of a

joint business school, the universities proposed to the ministry a joint steering group for the two universities. The ministry had reservations about a joint business school, but further discussions led to the idea of a university federation in Eastern Finland, and the loose operational collaboration envisaged earlier by the universities changed into a plan for a large-scale structural reform. Later, the planning group for Eastern Finland proposed establishing a university federation. The Ministry of Education funded the further planning of the university federation by €12.6 million in 2007–2010, but required that the collaboration between the universities be broader and deeper than envisaged in the report of the planning group. During the spring 2007, the two universities set up the strategic and operational task forces to plan the federation, and as a result of their work, the idea of a federation gradually grew into a full-fledged merger. The merger was approved by the board of the two universities in April 2008, which set the course for the further implementation (Tirronen, 2008.) This process illustrates the role of the Ministry of Education in the structural reform policy: The ministry set the overall policy of aspiring structural reform; the universities then presented their proposals which changed in negotiations with the ministry. (A similar process took place in the University of Turku even though it has not been reported in public.) The Ministry of Education then appointed the planning group according to the results of the negotiations between the ministry and the universities in question; and the planning groups closely followed the specifications of the ministry, which then further steered the process into a desired direction.

Another feature contributing to the weight and consensus seeking of the process was the composition of the planning groups. The planning groups each were led by prominent societal figures, which gave credibility and weight to the process, and otherwise comprised representatives of the universities involved, typically their leadership. The groups moreover all either comprised or consulted external experts, such as representatives of the regional government, industry or foreign experts. The Eastern Finland group also consulted the universities' internal stakeholders, that is, students and representatives of academic labour unions.

The Turku group was led by Markku Linna, the former permanent secretary of the Ministry of Education, the other members of the Turku group were Rector Keijo Virtanen (University of Turku) and Rector Tapio Reponen (Turku School of Economics and Business Administration), with a group of (non-voting) experts from both universities supporting the

work. As an external expert, the working group heard Professor John Davies from Anglia Ruskin University (OPM, 2007d). The report gives no indication of staff and students having been consulted. Professor Davies had been the chair of the team that performed OECD's (Organisation for Economic Co-operation and Development's) Thematic Review of Tertiary Education in Finland in 2006.

The Eastern Finland group was led by Reijo Vihko, a former president of the Academy of Finland and the other members were Governor Pirjo Ala-Kapee (Province of Eastern Finland); Rector Perttu Vartiainen, University of Joensuu; Director of Administration Petri Lintunen, University of Joensuu; Rector Matti Uusitupa, University of Kuopio; and Director of Administration Päivi Nerg, University of Kuopio. Also this working group heard Professor Davies as an expert, as well as legal counsellor Niilo Jääskinen, the co-author of the expert report commissioned by the Ministry of Education to chart the reforming of the financial autonomy of Universities. The working group's permanent experts were Researcher Jarkko Tirronen and senior planning officer Kirsi Karjalainen. The group also appointed a follow-up group comprising staff and student unions of the universities involved (OPM, 2007b).

The Helsinki group was led by Raimo Sailas, the permanent secretary of the Ministry of Finance. The other members were Rector Matti Pursula from the Helsinki University of Technology, Rector Eero Kasanen from the Helsinki School of Economics and Rector Yrjö Sotamaa from the Helsinki University of Arts and Design. Professor Yrjö Neuvo (symbolically representing Nokia) and Chancellor Matti Lehti were appointed to the group to compose an advisory group comprising the representatives of the Finnish industry to support the working of the planning group. Additionally, the ministry set as the secretary of the group for Turo Virtanen from the University of Helsinki, and the group invited three secretaries from the three universities. Contrary to the other groups, this working group also comprised a liaison person of the Ministry of Education, Counsellor for Higher Education Ari Saarinen (OPM, 2007c). The group interviewed 24 persons of which 13 represented industry and seven represented university administration, three were students and one was a professor.

There were both divergent and convergent views about the mergers. While the institutional leadership sought convergence amongst each other and in relation to the Ministry of Education, the student unions and university labour unions were assumed to be more critical of the merger processes. This was one of the main reasons why they were largely excluded

from the design stage. Analytically, the planning groups comprised mainly representatives of university leadership and administration supported by representatives of public administration, industry and business. Typical was also the fact that these groups did not base their suggestions on existing empirical or theoretical research or extensive analyses of interviews representing different views to mergers. This leads us to an interpretation that the groups were nominated to make suggestion which were well in line with the objectives of the Ministry of Education and Finnish government. By controlling the appointments and setting the agenda of the groups, the ministry largely steered the process, while the universities were left to design the details.

THE AFTERMATH – CONTINUITY IN THE CONTEXT OF CHANGE

Were the mergers successful, then, and were the strategic goals of the structural development met? Three mergers took place; that was certainly a sign of success at the first level of analysis. Moreover, the three university mergers in 2010 paved the way for further structural development initiatives, some more successful than others. One further merger occurred. The three art universities: Sibelius Academy, Theater Academy and the Academy of Fine Arts merged in 2013 to form the University of the Arts Helsinki. That merger followed a plan that had originally been presented in an expert report commissioned by the Ministry of Education in 2006 (OPM, 2006b) and which had been revisited in another Ministry of Education and Culture report in 2011 (OKM, 2011). On the less successful side, in 2006 three universities; the University of Tampere, Tampere University of Technology and the University of Jyväskylä started a process of cooperation known as the ‘University Alliance’. However, this merger process was discontinued quietly in 2010 (UTA, 2010) after the Ministry of Education withdrew its financial support for the collaboration in 2008. At the time of writing, three local or regional initiatives existed to plan mergers across the university–polytechnic divide: the University of Tampere, Tampere University of Technology, and the Tampere Polytechnic initiative ‘Tampere 3’; the Lappeenranta University of Technology and Saimaa Polytechnic initiative, called the LUT Group (LUT, 2016, OKM, 2016); and the University of Lapland and the Lapland Polytechnic initiative, called the Lapland Higher Education Consortium (Manninen, 2016). The outcomes of those initiatives were not known when this volume went to press.

There were also some consequences for the funding of Finnish universities. The Finnish government supported the Helsinki merger by promising €500 million to the new Aalto University if it managed to collect at least €200 million from the private sector. Creating stratification in the Finnish system of higher education by concentrating a significant increase of funding in one university represented a radical change compared with previous policy (Välilä et al., 2014; Kivistö and Tirronen, 2012). However, other Finnish universities found the government's decision to support only Aalto University with €500 million very unfair. The promise led to a heated public debate and heavy political pressure on the Finnish government. As a result, the government was forced to extend this policy principle, and to fund all Finnish universities according to the funding formula of the Aalto University (Välilä et al., 2014). Tax legislation, which did not previously recognise tax deductions based on donations to universities, was quickly changed to enable such donations. Although the Aalto University benefitted from the extra funding and started building its brand as a world-class university, it was hit by the 2008 global financial crisis just like the other universities, and its momentum for brand building was significantly altered (Tienari, Aula and Aarrevaara, 2016).

As the new legislation explicitly changed internal power structures and the employment status of academics in all universities, the Universities Act was nationally much more of a hot topic in the public debate than the mergers (Piironen, 2013) – with the exception of the Aalto University (Kauko, 2014), which due to the additional resources promised to the newly merged university, caused jealousy and controversy amongst the other universities. Other than the students of the University of Arts and Design strongly, though vainly, resisting the Aalto University merger, the mergers met with little public opposition (Välilä, 2007; Iivari, 2007). As relatively little public attention was paid to the mergers, this may have to been to the benefit of the newly merged universities as they were left in relative peace to develop their new structures. As no region 'lost' a university, although in the case of Joensuu and Kuopio the independent universities were merged together into a larger entity, the mergers were less contentious than other forms of condensing the university network might have been. The regional outcry in the spring 2016 around the decision of the University of Eastern Finland deciding to discontinue its teacher education branch campus in Savonlinna testifies that the autonomy of the universities themselves to conduct structural development is by no means uncontentious. (YLE 11.4.2016)

The simultaneity of introducing the new Universities Act with its different initiatives to strengthen university management on the one hand and the three merger processes to create larger units on the other hand, contributed to the complexity of the university mergers (Aarrevaara and Dobson, 2016).

On the whole, the Finnish structural development policy along with the legislative changes has increased the stratification of Finnish universities, led to a further corporatisation of universities and introduced a more strategic approach to the way in which universities conduct themselves (Cremonini et al., 2014; Välimaa, 2012; Kivistö and Tirronen, 2012). However, what has not changed are the social dynamics (Välimaa and Nokkala, 2014) in the field of Finnish higher education policy making, with its many actors. Therefore, the most radical decision to support one university with €500 million was changed into a policy principle to support all equitably universities using the same funding formula proposed for Aalto (i.e. additional support from public sources stands to private fundraising as 5:2). Furthermore, while more procedural autonomy has been given to universities, the state remains the most important actor in implementing changes and funding the higher education sector. In this way, there is strong continuity in the context of change.

NOTES

1. These numbers refer to the universities under the auspices of the Universities Act. Additionally, the National Defence University is part of the Finnish Defence Forces and legislated by a separate Act.
2. Current government has decided not to make such a development plan. It remains to be seen whether this is an exception to the rule or becomes a future rule of the game.

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Policy-Making for Structural Reforms in the Welsh Higher Education Landscape

Nadine Zeeman and Paul Benneworth

INTRODUCTION: MERGERS AS STRUCTURAL REFORMS IN EUROPE

A most common and visible policy response to globalisation has been increasing the efficiency of the HE system by concentrating (merging) existing already established HEIs. This may involve various forms of associations of HEIs ranging from relatively weak associations, such as consortia, to fully fledged associations, such as pure mergers (Amaral, 2009, p. 13; Barber et al. 2013, p. 10; Estermann et al., 2013, p. 4, 12). Our focus in this chapter is on the latter, the mergers. There have been many mergers within national HE systems across many European Union (EU) member states (European Commission, 2014) to create newly consolidated HEIs capable of competing globally (Salmi, 2009, pp. 43–44) as well as reducing costs and enabling economies of scale (Pinheiro et al., 2015, p. 1). Policy frameworks for HE

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reform programmes have been set up that explicitly focus on consolidations and mergers.

In certain HE systems, mergers have been part of an instrumental top-down system-wide organisation, using centrally decided policy interventions to encourage or oblige HEIs to progress with mergers, whether through financial support or legal compulsion. Several merger experiences however have driven arguments that universities themselves can best identify their needs, develop strategies, explore options and initiate merger processes. The role for policy in this arrangement is providing a framework and structure that enables the HEIs to meet the objectives rather than top-down wide-scale reorganisations imposed by governments (Bennetot Pruvot et al., 2015, pp. 13, 62). A key question then is how governments can harness bottom-up knowledge from the expert institutions to shape mergers to produce effective system transformation? In this chapter, we will address this question and focus on the transformations in the interrelationships between higher education institutions in Wales, particularly on the policy-making process in the merger processes of Welsh HEIs.

MERGER PROCESSES: TYPES OF POLICYMAKING

In recent years, we can detect a movement in Europe within national HE systems towards institutional association, consolidation and concentration. This movement is driven by external factors such as internationalisation, competition and the economic situation. In a large number of European countries, HEIs are facing increasing challenges shaped by globalisation. Income from revenues is decreasing and the competition for domestic and international students is increasing. Within such a context, national governments are implementing policies to support their HEIs in the globalisation processes. The most common and visible policy response to globalisation has been concentration of existing HEIs to improve system performance.

Various forms of new university association have been formed to provide these concentration effects. At one end of the spectrum are loose associations such as consortia of similar institutions; a typical middle way approach is exemplified by the creation of federal university systems with distinct colleges under a federal centre; at the other end of the spectrum, we find pure mergers into a single organisational form (Amaral, 2009, p. 13; Barber et al. 2013, p. 10; Estermann et al. 2013, p. 4, 12). Our focus in this

chapter is on mergers, because they are both the most intensive and far-reaching intervention with extensive effects on the HE landscape within national systems, but also in the last decade, they have been increasingly popular across a range of HE systems, including, represented in this volume, Finland, Norway, Denmark and France.

The policy-driven restructuring initiatives towards mergers have taken different forms in these European countries. We can detect governance mechanisms at different levels, and notably the widespread use of instrumental top-down system-wide organisation. In these systems, several methods aiming at encouragement and obliging the HEIs have been used to reach mergers, including incentivising institutions by providing them financial support, most visible in the case of Aalto University which received a governmental endowment of €500m to support the merger (see “Finland: Mergers in the Context of Continuity”). Governments have also introduced legislative reforms to obligate HEIs to cooperate with the merger process. With top-down implementation, the decisive policymaking takes place at the central level. Policy means are clearly defined and include incentives that guide the successful implementation of the merger; they are a traditional hierarchical form of government, and are heavily dependent for their effectiveness on the ‘wisdom of policy makers’ (Bennetot Pruvot et al. 2015, pp. 62–63; Estermann et al., 2013, p. 12; Gornitzka et al., 2005, p. 50). The degree of centralisation may vary. The Danish government, for example, decided that a number of mergers should become effective in January 2007 and used a combination of encouragement and obligation. The Danish government set up an Innovation Fund that rewarded the combination of similar institutions (Amaral, 2009, p. 15; Salmi, 2009, p. 43).

There are some examples, albeit relatively rare, of bottom-up reorganisations where HEIs have proposed mergers at their own initiative even in the absence of governmental pressure or other incentives. In some of these cases, the universities have had to proactively seek approval for those mergers from the public authorities. An example of a bottom-up initiated merger reform can be found in Sweden, where the University College Kalmar and Växjö University voluntarily merged to create the new university Linnaeus University in 2010, financially supported by the Swedish government (Ljungberg and McKelvey, 2015, p. 68). In such cases, mergers are driven by the individual perceptions of HEIs on their general situation, the competitive challenges they face, and the contribution that the merger can make to that situation (Bennetot Pruvot et al., 2015, pp. 62–63; Gornitzka et al., 2005, p. 50).

Both approaches to structural reforms, top-down or bottom-up, can be found in the European HE landscape. It has to be noted that in practice, ‘pure’ voluntarily initiated mergers are very rare. Most of the mergers are influenced to some extent by state, since many voluntary mergers are stimulated by incentives of the state, primarily financial ones (Cai et al., 2015, p. 2, 5). Even though most structural reforms in HE are government-led, the reforms could potentially be organised through coordinating bottom-up initiatives emerging from the HEIs themselves. In these instances, HEIs position themselves in strategic mergers to respond to the challenges of increasing competitions and decreasing funding. They are the central actors.

BOTTOM-UP COORDINATION: LESSONS FROM THE OPEN METHOD OF COORDINATION

Most of the structural reforms in HE systems are government driven and follow a top-down approach, i.e. following a governmental, rather than a governance, approach to steering. In a governmental model, the decision maker uses deep insight into the current situation to generate a clear idea of the desirable end point and specifies in detail the policy interventions required. By contrast, in a governance model, the government sets out the direction of travel, the ‘rules of the game’ and the incentives to encourage expert actors to participate. Experts are in this case those service providers that have the detailed knowledge of the complexities of the particular areas of service being provided. In a university merger process, where the detailed knowledge about teaching and research is held by the universities themselves, we foresee that there are problems in relying upon the ex ante wisdom of government to address a single direction of travel. A governmental approach seems not to be recommendable. Therefore, it is perhaps slightly surprising to see that the majority of mergers appear to have been imposed in ways that seem to demand a high level of governmental direction in the process.

Conversely, the governance model allows for a bottom-up merger policy that creates an arena involving internal and external stakeholders engaged in dialogues, discussing both present situation and future actions and scenarios. In this regard, the process leading to merger (or not) is perceived as more relevant than the decision to merge or the results that derive from the merger in the future (Pinheiro et al., 2015, p. 4). An advantage of these

voluntary mergers is that they tend to more successful than ‘mergers imposed by governments, by allowing for a higher degree of staff involvement which increases the feeling of responsibility for the process (Harman and Harman, 2003, pp. 31–32).

To better understand bottom-up voluntary merger processes, we draw an analogy here with the EU’s open method of coordination (OMC) to coordinate EU member states’ policies that are formally reserved to those member states. The OMC fits the governance model well as it is a governance tool based on the lack of full centralised authority and control. The EU member states participate voluntarily. It provides coordination through the dissemination of experiences that provide the incentives for mutual learning and the sharing of knowledge (Gornitzka, 2005, pp. 5–6; Humburg, 2008, p. 5). Monitoring and transparency are key elements. The process that eventually leads to convergence is also characterised by deliberation between the actors involved, sharing information and interests through dialogues. Each member state commits to working towards collective goals and objectives, although each member state has freedom to determine how the common goals are to be achieved. Even though the OMC is based on voluntary cooperation, the EC is engaged for example through communications and funding (Gornitzka, 2005, pp. 5–6; Heidenreich, 2009, p. 23; Humburg, 2008, p. 5). In essence, we see actors at the decentral level (the member states) move towards on common goal with modest engagement, guidance and advice from the central level.

We, therefore, contend that the OMC provides a lens through which to conceptualise bottom-up driven merger processes within a higher education system, certainly in countries like the UK where universities are private bodies with substantial autonomy. Compared with the counterparts from the continent, given the (traditional) high degree of institutional autonomy central control in the UK to steer its HE is limited. As the result of that we would expect to find elements of the OMC with respect to the merger processes in Welsh HE.

In this chapter, we want to understand whether this structural reform process can be understood as functioning as an OMC, leading the actors to a desirable endpoint while placing initiative in the hands of the universities themselves. Do the mergers in Welsh higher education follow a governance approach with clear elements of the OMC, or do we observe a governmental approach as seen in so many other countries? In the next sections, we will describe the mergers initiatives (in three sub periods)

addressing the involved actors, their interests and roles, interaction and used instruments (process and its characteristics) and the outcomes (merger or not). To address this, this chapter draws on research undertaken to the European Commission's project on structural reforms in higher education. The authors were responsible for the Wales structural reform case study, and as part of that interviewed eleven experts, as well as reviewing a substantive volume of policy literature, some of which appears in the references section. The fieldwork was undertaken in the summer of 2015.

THE CONTEXT TO THE WELSH STRUCTURAL REFORM PROCESS

The Welsh HE sector is relatively new, formally coming into being in 1993 as the result of the Further and Higher Education Act in 1992. This Act made changes in the funding and administration of further education and HE in both England and Wales, and created a separate higher education funding council for Wales: the Higher Education Funding Council for Wales (HEFCW). Prior to the Act, the Welsh HE system formed a coherent subsystem within the UK's funding arrangements, with universities funded latterly by the Universities Funding Council (UFC) and previously the Universities Grants Committee (UGC). At that time, Welsh universities formed only a small share of the UK university system, with one large university, the second largest in the UK, and this was the (collegiate) University of Wales, with three foundation colleges in Aberystwyth, Bangor and Cardiff.

Most of the HEIs established in Wales since the 1960s were themselves formed through mergers between individual educational institutes. The most significant merger prior to 2000 was between the University of Wales Institute of Science and Technology (UWIST) and University College, Cardiff (UWIC) in 1988, creating the first institution in Wales comparable to large research-led universities elsewhere in the UK. This merger was to prove extremely beneficial to the Welsh HE system, clearly adding value and stimulating the development of research and innovation in South-East Wales. The merger was driven by a the late 1980s financial crisis, with the (UK) University Grant Committee requiring that University College, Cardiff merged with neighbouring institutions to restore financial sustainability (Further and Higher Education Act 1992, p. 46; Gummert, 2015, p. 83; HEFCW, 1999).

HEFCW at the time of its creation functioned as an arm's length body responsible to the national government Welsh Office. All of this changed in

1998–1999, when Wales assumed direct political control over organising and funding its HE system as a consequence of devolution. This devolution redistributed a series of responsibilities to Cardiff to be exercised by the newly elected National Assembly for Wales (WAG) including that for HEFCW. As of 1999, the National Assembly was responsible for the funding of a system comprising 13 HEIs, as shown in with their main characteristics in Table 1 (Gallacher and Raffè, 2013, pp. 467–468; Gummett, 2015, p. 83).

Devolution marked the starting point of Wales' systematic merger, beginning in January 1999, when the Welsh Office, whose powers were subsequently transferred to the WAG in 1999, directed HEFCW to identify possibilities for mergers of universities and to provide recommendations to the new National Assembly regarding future directions of travel. HEFCW's report included the important recommendation that it would be most viable to have five to six HEIs. HEFCW also suggested that the National Assembly should invite HEIs to engage in discussion with the aim to achieve a strategic and structural reorganisation within the next 3–5 years. This report, *The Scope for Institutional Mergers at the Higher Educational Level*, would later be followed up with three more reports (1999–2002) that again emphasised the unavoidable need for mergers between Welsh HEIs. The strategic context to these reports was

Table 1 HEIs Wales in 2003

<i>HEI</i>	<i>Total enrolment (all levels, part time and full time)</i>
Cardiff University	19,929
University of Glamorgan	19,350
University of Wales, Swansea	11,727
University of Wales, Aberystwyth	9,835
University of Wales, Bangor	9,599
University of Wales, Newport	8,700
University of Wales Institute, Cardiff	8,594
North East Wales Institute of Higher Education	6,397
Swansea Institute of Higher Education	4,974
University of Wales, College of Medicine	4,144
University of Wales, Lampeter	3,493
Trinity College, Carmarthen	1,803
Royal Welsh College of Music and Drama	583

Source: HEFCW Annual Report 2003–2004 (n.d.), p. 11

HEFCW's view that Wales' HE sector faced a range of challenges in order to adapt and thrive in an increasingly internationalised education environment of the international knowledge economy (GAELWa, 2004, p. 17; Gummett, 2015, p. 84). In concrete terms, the reports identified several challenges that demanded a system restructuring. These challenges are, in summary (1) increased competition from large, efficient organisations in England and elsewhere in Europe and (2) a lack of critical mass to invest strategically in new teaching technologies and practices, new strategic research areas and to compete for UK Research Council and European research funding (GAELWa, 2004; HEFCW, 1999; National Assembly for Wales, 2001, p. 57).

The Welsh Assembly's Education and Lifelong Learning Committee's *Policy Review of Higher Education* (2002) was one of four reports arguing that mergers were inevitable in view of these tensions and stresses in the Welsh HE system. The report foresaw either collaboration or mergers as being the solution, but despite being forewarned that mergers would be unpopular, plumped for the merger option. They proposed using bottom-up mergers as a process to reduce resistance, encouraging mergers between HEIs with similar missions and visions, with clear mutual benefits, underpinned by careful and structured planning. The WAG then published its report *Reaching Higher*, which included a strategy for the HE sector in Wales, specifically building upon the *Policy Review of Higher Education* evidence. WAG agreed with a merger approach, but noted that high levels of university institutional autonomy enshrined in the Act made it very difficult for WAG to impose a top-down structure Welsh Assembly Government 2002, p. 7).

BOTTOM-UP COORDINATION: LESSONS FROM THE OPEN METHOD OF COORDINATION

The White Paper acknowledged the challenges and the tension confronting Welsh HE, and marked the start of a merger process which at the time of writing has not yet reached the desired end point of five to six institutions. In the period from 2002 to 2012, the Welsh Government – with varying degrees of pressure, has sought to facilitate mergers and reshape the sector. Writing in 2015, HEFCW's chief executive for much of the period, Professor Phil Gummett (2015) distinguished three informal phases in this merger history: 2002–2006, 2006–2009 and 2010–2012 (onwards)

(Gummett, 2015, p. 85). The process formally began in 2002 with HEFCW launching the Reconfiguration and collaboration (R&C) fund, to finance strategic, substantial and sustainable HEI proposals to either merge, or create cross-institutional cooperation within research and teaching. HEIs were invited to submit their proposals for further collaborations at the highest level of the institutions, for an October 2002 deadline; all 13 Welsh HEIs were to submit a funding proposal (GAELWa, 2004, p. 19; Gummett, 2015, p. 85). Twenty proposals were received of which ten received support, three were deferred, two referred for consideration and the final five were rejected; the successful ten included four proposals for mergers and strategic alliances.

First Wave Mergers (2002–2006)

The merger between Cardiff University (CU) and the University of Wales College Medicine (UWCM) initiated in 2003 would later be identified by the Wales Audit Office as one of the three most substantial mergers in Wales. Both institutions appointed new Vice Chancellors positively disposed towards merger in 2001. In January 2005, the merger was achieved with the two HEIs coming together as CU and by 2006 the merger process was complete (Colman, 2009, p. 7, 16; HEFCW, 2010, p. 5). Its rationale was allowing the HEIs to pursue internationally recognised high quality research, learning and teaching to benefit Wales and the rest of the world. Both were located in Cardiff: CU attracted much research funding from private and public sources, although the absence of a medical school reduced its opportunities to also attract medical research funding. The UWCM was much smaller and hence financially vulnerable, one of two independent medical schools in the UK, with some teaching delivered by CU and also some existing research cooperation. There was a good case for merger based on both perceived potential mutual benefits and a strong mutual fit (Colman, 2009, pp. 16–17; Gummett, 2015, p. 86; HEFCW, 2010, p. 5, 26). The two Vice Chancellors began merger negotiations before formal appointment, and were appointed to give strong merger leadership over the process, listening to both staff and then also later to students to deal with emergent matters (HEFCW, 2010, pp. 26–28). The merger was (relatively) smooth, with most desired outcomes achieved; HEFCW regarded the merger process as a success and an example for others (HEFCW, 2010, p. 3; Parken, 2011, p. 5).

The second proposal concerned exploratory talks between Bangor University and North East Wales Institute of Higher Education (NEWI) (later to become Glyndŵr University in 2008), both located in North Wales. In 2001, Bangor University and NEWI had signed a strategic alliance, and unsurprisingly both universities responded positively to the R&C strategy. In 2002, they submitted their proposals to the Higher Education Funding Council for England, in the first instance to strengthen their strategic alliance and then second to establish single university in North Wales, between 2003–2004 and 2005–2006 (Colman, 2009, p. 21; Gummert, 2015, p. 86; Roberts, 2009, p. 120). Despite a smooth start, difficulties arose: neither institution possessed its own degree awarding powers (DAPs) or official university status, each had very different missions and visions. Bangor emphasising, for example, research excellence and NEWI widening access to HE. This mission incompatibility led to the end of merger talks, and in 2004, the University Wales, Bangor decided to apply for DAPs (Colman, 2009, p. 21; Gummert, 2015, p. 86; Roberts, 2009, p. 121), leaving collaboration limited to joint arrangements for staff development (Colman, 2009, p. 21; Gummert, 2015, p. 86).

Third there was a proposal from the Universities of Glamorgan and Wales Institute, Cardiff (UWIC), both located in South Wales. Both institutions were initially positive, having identified mutual benefits including improving learning resources, efficiency gains and significant opportunities for widening access and participation (GAELWa, 2004, p. 3). But both institutions also submitted other proposals: UWIC submitted five proposals, in four of which possible collaborations were proposed with other HEIs, the fifth was for a specific collaboration with University of Wales College, Newport (UWCN). Glamorgan submitted three proposals involving cooperation with other HEIs, one proposal for more specific reconfiguration with the (further education college) Merthyr College and the latter with UWIC to be focused upon the rationalisation of provision (GAELWa, 2004, pp. 20–21). In 2003, an appraisal document was published. This report stated that a merger between the two HEIs should be completed in 2004, founding a number of committees and groups to discuss the issues prior to merger. Despite meeting regularly during the period from March to June, these groups were unable to resolve the issues, ranging from the method of appointing the new Vice Chancellor to UWIC's fears of being swallowed up by the much larger Glamorgan (GAELWa, 2004, p. 5, 35; Gummert, 2015, p. 87). In December 2003, the merger project between the two HEIs

was terminated given the apparent then impossibility to overcome the individual HEI interests (Colman, 2009, p. 30).

The final proposal was between the University of Wales, Aberystwyth and University of Wales Bangor, in West and North-West Wales, respectively. Unlike the other mergers, it proposed integrating and strengthening their research in four areas: rural environment, advanced functional materials, catchments and coastal, and medieval and early modern history (Gummett, 2015, p. 88; Parken, 2011, p. 5, 12). In 2002, the two HEIs started discussing this collaboration, engaging at a senior level to discuss a strengthening their collaboration, and thereby strengthening research and teaching. This led to the development of a research partnership that allowed the HEIs to compete with other research groups located elsewhere; its subsequent success led to the creation of a Joint Strategy Board to align their learning and research strategies and to explore further collaborations in teaching and research. In 2005/2006, HEFCW granted the universities funding to proceed with the partnership (Gummett, 2015, p. 88; Parken, 2011, p. 5, 12; “The Aberystwyth-Bangor Strategic Alliance, n.d.”). The reasons for opting for strategic collaboration instead of a merger were the strong arguments against merger; the HEIs were 80 miles (120 km) apart, with no direct travel connection, had appointed new Vice Chancellors for whom the mergers were not a priority and there were no economies of scale (personal communication, July 16, 2015).

Second Wave Mergers (2006–2009)

In the second round of R&C (2006–2009), HEFCW expressed its ongoing concerns about the Royal Welsh College of Music and Drama (RWCMD), Trinity College, Carmarthen and the University of Wales, Lampeter (UWL); all small institutions that remained vulnerable to competition. HEFCW identified several issues for each and this strengthened HEFCW’s determination to further reform the HE system. HEFCW became more involved in the merger processes compared with the first round of mergers (Colman, 2009, p. 9; Gummett, 2015, p. 88; HEFCW, 2003). The three HEIs all submitted proposals to the R&C fund, but those approved did not go far enough with the others being deferred, referred or rejected.

The UWL was a small university, located in West Wales, and HEFCW had several concerns regarding its long term viability. It had invited consultants in 2007 to review UWL’s strategy and business model, concluding that

UWL faced severe income, management and operational issues. There was no single clear shared vision for UWL and its plans to achieve its objectives were unrealistic. The institution had the ambition to become internationally recognised as the foremost liberal arts university in the UK, yet at the same time lacked the financial wherewithal to achieve this goal. UWL had a vulnerable financial position, with costs exceeding income, itself the result of a decline of incoming full time students and increasing costs. A final major issue was operational and management capacity (HW Corporate Finance, 2008, pp. 3–4, 49). UWL’s Vice Chancellor agreed a restructuring and of the several options explored, merger appeared the best, the lowest risk with the greatest improvement in its sustainability. Discussions with HEFCW saw UWL in December 2008 initiate collaboration with Trinity College Carmarthen, the HEIs received £14.3m. In 2010, the UWL merged with Trinity University College Carmarthen to become the University of Wales, Trinity Saint David, developing new courses and local engagement, but remaining small with a limited subject offer. HEFCW required the merged HEI to discuss merger with Swansea Institute of Higher Education, and indeed in 2012, the two HEI merged (Colman, 2009, p. 9; Gummett, 2015, p. 89; “Reconfiguration and collaboration funding highlights, n.d.”).

The second institution merger involved the RWCMD, the national conservatoire for Wales in Cardiff. In 2004, increasing financial pressures clearly threatened its long term independence, and HEFCW and WAG informed RWCMD that a long-awaited capital investment programme would only be made via the R&C fund (Capita Consulting, 2012, p. 6; Drowley, Lewis and Brooks, 2013, p. 202). HEFCW proposed that RWCMD approach a larger and suitable experienced partner, initially approaching the nearby CU. However, this option was explored just 2 months after CU had merged with University of Wales College of Medicine. The discussions with CU ended in 2005 with the two HEIs unable to align their visions and could not agree on the route to be taken (Capita Consulting, 2012, p. 50).

Third Wave Mergers (2010-Date)

Gummett’s analysis of the second wave of mergers was of a period in which momentum and progress was lost (Gummett, 2015, p. 90). The limits to voluntary merger appeared to have been reached, and therefore, the third wave involved an attempt to restore that momentum by steering the universities more directly (Parken, 2011, p. 7; Welsh Assembly

Government, 2009, p. 14, 18). There were three mergers in this period, including the aforementioned merger of Trinity Saint David and Swansea Metropolitan University. Despite previous mergers, there remained unfinished business, with Glyndŵr remaining independent and Swansea resisting a merger into Glamorgan. In 2009, the WAG reviewed the HE sector in Wales and concluded that the Welsh HEIs did not collaborate enough in South-East Wales because of high institutional autonomy. In 2010, the position of HEFCW towards institutional autonomy changed, with WAG asking HEFCW to make proposals for collaborations and to provide a clear description of the future funding arrangements for higher education in Wales. HEFCW developed a blueprint, stating that interventions were needed to respond to increasing sustainability challenges. The Higher Education Funding Council for England blueprint expected that Wales would have no more than six institutions distributed regionally and that the distribution of these six HEIs should reflect the needs of the regions. Three mergers were proposed, some uncontroversial, other controversial (HEFCW, 2010b, 2011; Welsh Assembly Government, 2009, pp. 18–19).

The uncontroversial recommendation concerned the merger of the University of Wales Trinity Saint David and Swansea Metropolitan University (formerly known as Swansea Institute of Higher Education) in 2012. In 2010, the two governing bodies of the HEIs agreed to form a single university. A merger between the two HEIs would improve the options of courses available for students, would increase recourses for teaching and would better meet the needs of employers. The process went smoothly and led to a partnership of equals (HEFCW, 2011, p. 3; “Swansea Metropolitan and Trinity Saint David to merge, 2010”).

The first controversial recommendation concerned Glyndŵr University (formerly known as North East Wales Institute of Higher Education (NEWI)), in HEFCW’s analysis too specific and lacking long-term sustainability (HEFCW, 2011, p. 18). HEFCW proposed several options to address these challenges, but they met with considerable resistance. The first was to provide HE in Wrexham through local Further Education colleges under the oversight of the universities in Bangor and Aberystwyth, but this faced extensive local opposition as a takeover that threatened Glyndŵr’s regional economic contribution (Parken, 2011, p. 9; Welsh Government, 2013, p. 81). Mergers were likewise rejected, and an interim proposal emerged for a federal model compromising Glyndŵr University and Coleg Cambria to improve participation and

increase efficiency gains (Welsh Government, 2013, pp. 115–117). At the time of writing, this is still slowly evolving.

Finally, in South-East Wales, HEFCW had recommended merging the University of Glamorgan, University of Wales Institute, Cardiff (UWIC) and University of Wales, Newport (UWN) to create a regional metropolitan university comparable to large new universities elsewhere in the UK, thereby ensuring long-term sustainability. In 2012, the Minister of Education and Skills, Leighton Andrews, announced focussed discussion between the three HEIs and staff and student representatives, making clear that merger was WAG's preferred option (HEFCW, 2011, p. 3; Welsh Government, 2012). However, CMU (the new name of UWIC) refused to engage in merger talks, as the Board of Governors did not perceive any possible benefits of merger for their students, staff and for the University as whole. UWIC's chair of governors argued that the HEIs did not have a shared vision and the merger would be significantly complex and would be risky in terms of sustainability. UWIC withdrew from these merger talks, and they continued between Glamorgan and UWN at these institutions' own request to the minister. The two HEIs merged in April 2013, with the dissolving of UWN by the Minister (Gummett, 2015, p. 98; "Leighton Andrews scraps plans..., 2012").

BOTTOM-UP INITIATIVE IN STRUCTURAL REFORMS VIEWED AS AN OPEN METHOD OF COORDINATION

Before adjudging the effectiveness of the long-term approach in terms of whether it has allowed open coordination, it is necessary to look at the long-term results. The restructuring of the Welsh HE system has reduced the number of HEIs from 13 to 8 in the period 2004–2015. Table 2 below shows the situation in Wales at the time of writing (2016), the eight HEIs with their total number of student can be found for the academic year 2014/2015 (Higher Education Statistics Agency, n.d.).

Table 3 summarises the mergers within each of the three rounds against the aspects set out previously in this chapter, namely the actors, their role, interactions and process characteristics and the outcome (structural change (merger) or not).

The first round of mergers can be regarded as following an open method of coordination, creating governance by the voluntary participation of actors, without an explicit role for HEFCW, while the remainder

Table 2 Student enrolments by HE provided (2014/2015)

<i>HEI</i>	<i>Notes</i>	<i>Total enrolment (all levels, part time and full time)</i>
Cardiff University	Merger of Cardiff University and University of Wales, College of Medicine	30,480
University of South Wales	Merger of University of Glamorgan and University of Wales, Newport. Incorporates Royal Welsh College of Music and Drama	27,710
Swansea University	Formerly known as University of Wales, Swansea	16,020
Cardiff Metropolitan University	Formerly known as University of Wales Institute, Cardiff	13,670
Bangor University	Formerly known as University of Wales, Bangor	10,765
University of Wales, Trinity Saint David	Merger of University of Wales, Lampeter, Trinity University College Carmarthen and Swansea Metropolitan University	10,425
Aberystwyth University	University of Wales, Aberystwyth	9,835
Glyndŵr University	Formerly known as North East Wales Institute of Higher Education. Glyndŵr received university status in 2008	6,765

Source: Higher Education Statistics Agency (HESA)

were not. Within an OMC, common objectives are determined ‘by all’, but the means to achieve these goals are diverse and local actors are free to decide how the common goals are to be achieved. The process to reach convergence is characterised by communication, negotiation and cooperation to share information and interests.

In the first merger round, where four proposals were approved for funding, we can detect elements of a governance approach with ample room for a mode of coordination that can be seen as ‘open’. HEFCW recommended mergers of Welsh HEIs to address the challenges requiring a restructuring of the HE system. The WAG agreed that mergers were necessary and also agreed with how these mergers should come into being. Mergers should be initiated bottom-up, be mutually beneficial and be planned carefully and structured. In 2002, the HEFCW launched a funding scheme (Reconfiguration and Collaboration Fund) to finance the proposals of further collaboration

Table 3 Merger processes Wales summarised

<i>HEIs</i>	<i>Initiators</i>	<i>HEFCW</i>	<i>Process</i>	<i>Merger</i>
Cardiff University and University of Wales College of Medicine	VC's both HEIs	Facilitator	Bottom-up structural reform: VC's and governing bodies engaged in discussion with internal and external stakeholders	Yes
University of Wales, Bangor and North East Wales Institute of Higher Education	VC of Bangor and Principal of NEWI	Facilitator	Bottom-up structural reform: positive response towards reconfiguration and two proposals submitted to HEFCW. No merger, because the mission/visions could not be aligned	No
University of Glamorgan and University of Wales Institute, Cardiff	Both HEIs	Facilitator	Bottom-up structural reform: jointly appraisal document informed by committees. Involvement of committees, working groups and public. No merger because issues could not be solved	No
University of Wales, Aberystwyth and University of Wales, Bangor	Senior level HEIs	Facilitator	Bottom-up structural reform: Analysis of senior level and set up of Joint Strategy Board. No merger, but strategic collaboration because strong arguments against merger	No

University of Wales Lampeter and Trinity College, Carmarthen	Consultants HEFCW and VC UWL	Interventionist	Combination bottom-up/top-down: HEFCW asked consultants to review UWL. Merger best medium term solution to issues. UWL advised to merge	Yes
Royal Welsh College of Music and Drama and Cardiff University	HEFCW and RWCMD	Interventionist	Combination bottom-up/top-down: HEFCW required RWCMD to merge with suitable partner. HEIs could not align visions and agree on further steps	No
Royal Welsh College of Music and Drama and University of Glamorgan	HEFCW and RWCMD	Interventionist	Combination bottom-up/top-down: HEFCW required RWCMD to merge with suitable partner	Yes
University of Wales Trinity Saint David and Swansea Metropolitan University	HEFCW	Explicit	Top-down: HEFCW attached condition to earlier funding that UWTSU should try to merge with Swansea Institute of Higher Education	Yes
Glyndŵr University, Bangor University, Aberystwyth University	HEFCW	Explicit	Top-down: HEFCW proposed structural partnerships. Met opposition of local stakeholders	No
University of Glamorgan, University of Wales Institute, Cardiff and University of Wales, Newport	HEFCW	Explicit	Top-down: HEFCW to create a metropolitan university. UWIC pressured to merge, but stayed autonomous	No

and mergers submitted by the HEIs (GAELWa, 2004, p. 17, 19; Gummatt, 2015, pp. 84–85; Welsh Assembly Government, 2002, p. 7). Thus, a common objective has been determined (mergers), the means to achieve this objective is up to the HEI (means are diverse) and a financial stimulus is present (Reconfiguration and Collaboration Fund). However, in the end only one out of four proposals succeeded: the merger between CU and the UWCM.

This merger process includes several elements of an OMC. The proposal to merge was initiated by the HEIs themselves. The Vice Chancellors of both institutions favoured a merger and proposed joint leadership of the merger. Both Vice Chancellors perceived mutual benefits of a merger. Internal and external stakeholders, including staff and students, have been involved in the process towards a merger and afterwards when the merger had been completed. The process has been one of cooperation and discussion. The merger process has been very effective and HEFCW set the merger as an example for other HEIs (HEFCW, 2010b, pp. 3, 26–28).

The three other proposals did not lead to a merger. The merger between Bangor University and North East Wales Institute of Higher Education (NEWI) failed because the HEIs could not align their missions and visions. Nevertheless, the HEIs have engaged in closer collaborations regarding joint arrangements for staff development (Colman, 2009, p. 21; Gummatt, 2015, p. 86; Roberts, 2009, p. 121). The second proposal that did not lead to a merger is the one from the University of Glamorgan and University of Wales Institute, Cardiff. The two HEIs explored options for a merger and identified mutual benefits. Committees and groups have been set up to discuss the issues that needed to be resolved before a merger could take place. The individual interests could not be solved and led to the termination of the merger project (Colman, 2009, p. 30; GAELWa, 2004, p. 5, 35; Gummatt, 2015, p. 87). The final proposal received by HEFCW came from the University of Wales, Aberystwyth and University of Wales Bangor. Their proposal focused on strengthening their collaboration, which has resulted into strategic collaboration in teaching and research. The HEIs did not merge, because of strong arguments against a merger (Gummatt, 2015, p. 88; Parken, 2011, p. 5, 12; “The Aberystwyth-Bangor Strategic Alliance, n.d.”).

Based on the experiences and results in the first phase of mergers, we argue that an OMC can be effective in structural reforms but not necessarily so. The processes resulted into one merger and in two cases, HEIs have engaged in closer (strategic) collaborations, although mergers were not

achieved. The only exception is the case of Glamorgan and UWIC. In this instance, the HEIs engaged in committees and groups to discuss the issues showing up, but despite these considerable efforts, no merger had been taken place. The mutual benefits could not exceed the individual interests of the HEIs. Therefore, a bottom-up driven reform with elements of the OMC does not necessarily cause the intended effect. The outcomes of the second and third round of mergers contribute to this mixed picture. In these two rounds, the role of the HEFCW became increasingly explicit, indicating a more top-down process, not reflecting our view of the OMC. This governmental approach, however, has caused, or at least contributed to, three more mergers (as well as three cases without mergers). Thus, based on the Welsh case, while the governmental approach was not successful in half the cases, the bottom-up approach in the first round was not universally successful either, so a conclusive answer about the effectiveness of an OMC to successfully create mergers cannot be given.

COORDINATING BOTTOM-UP MOBILISATION FOR EFFECTIVE STRUCTURAL REFORM

Our research question was whether it was possible to design a policy instrument for structural reforms in higher education that provides for strong coordination but also strong initiative to be taken by the universities themselves. Viewed as an OMC approach seeking to harness the bottom-up knowledge of the universities, we can see the various systems elements at play here. The main actors are the universities, the funding council and then at a degree of distance the WAG. Within the universities it was the university leaders that were critical to the process, and in the Wales case, their willingness to view merger as something to which they were willing to devote their leadership energies. What also emerged as important actors in the process were local stakeholders, in particular, in the case of more controversial mergers. In this case, the Welsh Assembly members for local constituents were important in articulating these local views, and local media was also important in relating what local communities believed. The ways these different views intersected were important for providing the enthusiasm and momentum within universities to drive forward merger, or indeed by the decision by UWIC to withdraw from the merger talks against the strong direction of the WAG.

The most difficult of these to determine is the final point, that of a successfully coordinated merger. The most obvious point to make here is that the merger process has achieved a positive outcome, in that it reduced the overall number of institutions, while avoiding an institutional failure. Clearly, the HE system in Wales is closer to the vision at the start of the process in terms having a long-term sustainability. The system has also increased its capacity, so the fewer institutions that exist are generally trusted by WAG to invest public funding in a prudent way and be able to deliver continuous improvement for the benefit of Wales as a whole. Average institution size has increased, but there remains a strong degree of diversity in the system. There remains a mix of large and small institutions, a mix of teaching and research intensive institutions, and there are institutions in the three main residence areas of Wales, namely the South East, the South West and north east. There was a natural evolution in the process, from a more voluntary approach to a more driven approach that ensured that institutional autonomy was respected while simultaneously providing coordination. The process has also reached a natural end point, with little further appetite for institutional reconfiguration (excepting Glyndŵr).

But not all the desired outcomes have been delivered despite having delivered a successful and apparently sustainable structural shift. Although there has been a reduction in the number of institutions, it is not clear whether this has led to a qualitative improvement in their research and teaching performance (acknowledging the counter-argument that at least Wales's position has not further deteriorated). The desired endpoint, the six institutions, has not been delivered, and the average size of institution remains relatively low in a UK context. It is not clear that there has not been a residualizing effect of the way the process has played out, leaving the more difficult mergers until the end of the process. This has potentially had the effect of preventing mergers that would have been optimum for the system as a whole but which would have spread the benefits out differently between the strong and weak institutions, the potential 'Matthew effect'. This makes it difficult to say with any degree of certainty whether it made more sense for Wales to use this open method rather than to simply impose it in a top-down way from the start. Nevertheless, there seems to be value in looking in more detail at ways of steering structural reforms through bottom-up processes rather than firstly developing an ideal type blue print, and then devoting all effort to realising the desired outcome.

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Structural Reforms in European Higher Education: Concluding Reflections

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INTRODUCTION

In this chapter, we will first provide a cross-case analysis, followed by the identification of critical elements of higher education reform, presented by policy stage. In doing so, we highlight the importance of the context in

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which these reforms unfold. We will conclude the chapter by offering a more general reflection on important aspects of (higher education) policy analysis.

FOCUSED COMPARISONS OF CHANGES IN THE HIGHER EDUCATION LANDSCAPE

The structural reforms analysed in the previous chapters display a considerable degree of variation in terms of their goals, characteristics, context of application, and level of success. In order to better grasp these experiences it is particularly useful to look at structural reforms of the same type, which are similar to each other on some dimensions and dissimilar to other structural reforms. In this way, we think it is possible to identify more clearly the factors that contribute to a structural reform being successful. Taking the aims of the reforms as our main criterion of comparison, and opting for a fairly small set of focused comparisons that cover all three types of reforms (i.e. those affecting horizontal diversity, vertical diversity, and interrelationships), we compare the (i) Austrian and Croatian *establishment of a binary sector*, (ii) French, Spanish, and Danish examples of *vertical differentiation* reforms, (iii) *institutional mergers* in Wales and Finland, and (iv) reforms aiming at strengthening the *research – teaching nexus* in Flanders and the Netherlands. Finally, we consider the Norwegian and Polish reforms separately, as they highlight several unique features.

Establishment of a Binary Sector

The structural reforms in *Austria* and *Croatia* started in the early 1990s and aimed to introduce a professional higher education sector in systems dominated by university institutions. The rationales for the reforms were to create a higher education provision that would better meet the needs of the labour market and enhance regional development. In Austria, the reform was driven by the challenges presented by the recognition of Austrian qualifications in the (then) European Economic Community. In Croatia, the introduction of the professional higher education sector was part of a larger reform to revive a once thriving educational sector and to strengthen the binary divide.

In the case of Austria, the professional education sector was expected to absorb some excess demand for higher education and was built by upgrading existing upper secondary programmes in – to be established – full-fledged higher education institutions. The reform package also envisaged

measures to increase the universities' autonomy. In Croatia, the introduction of the professional sector was intended to phase out professional programmes offered by universities. Given that funding is based on the number of students, the reform implied fewer resources for universities.

In Austria, the implementation went relatively smooth (the competition between the two ministries notwithstanding), because communication and information exchanges were strong with stakeholders in higher education institutions during the design phase and at the start of the implementation phase. In Croatia there was no institutionalised way of designing policies; key stakeholders were not involved in the policy development. Therefore, legislative amendments and constitutional court decisions delayed the policy implementation and the phasing out of professional programmes was never achieved because it was considered to go against the constitutional principle of university autonomy.

In Austria both operational and strategic goals have been achieved, whereas in Croatia the binary divide remains blurred, professional higher education institutions remain weak and the professional programmes at universities have not fully been abolished. The fact that there was something to be gained by both sectors in Austria and the considerable involvement of the key stakeholders, compared to a financial threat to the powerful universities and lack of stakeholder involvement in policy design and implementation in Croatia, arguably account for the differences in goal achievement.

Vertical Differentiation

In response to the concern that national universities were not sufficiently visible or performing on a global scale, from 2007 onwards *France, Spain* and *Denmark* promoted structural reforms to stimulate excellence by spurring higher education institutions to profile and by selecting areas and institutions in which to concentrate resources.

Profiling higher education institutions emerged as problematic in all three reforms. Focusing on specific areas implies sidelining other areas, which is a decision hard to accept in a higher education institution. Moreover, university internal governance structures and processes in these countries have been traditionally consensual and egalitarian, and institutional leaders may not have sufficient powers and legitimacy to select 'flagship' areas on their own.

Among the three countries, French reforms were the most successful, having increased critical mass and the pooling of resources. The Danish reform has been largely effective, with the exception of profiling. Although

the Spanish reform has increased collaboration between higher education institutions and public and private sector organisations, nevertheless it emerges as the least successful of the three, with little impact in terms of pooling resources and achieving critical mass.

The French government continued its policies for concentration and modernisation of facilities over a longer period of time, while in Denmark it was interrupted after 5 years. Continuity in policy implementation may be one of the reasons explaining France's success.

The level of resources allocated to the Spanish initiative was much lower than in the Danish and French initiatives compared to its scope, as many institutions were involved in Spain and many goals were envisaged. The lack of adequate resources was exacerbated by the economic crisis in 2008, whereas in France and Denmark the crisis did not have a similar impact. Moreover, the political support was strong across the various political parties in France and Denmark, but not in Spain.

Approaches to policy design and steering differed in the three cases. The Danish experience in particular suggests that if consensus between the parties involved is pursued and reached during the design phase, then there is little risk that the policy is resisted during the implementation.

The analysis of the cases suggests that several approaches to policy design and implementation can be suitable, as long as they are consistent with each other. That is, a more top-down approach was adopted in France and Spain, but in France strong political support and steering remained during the implementation whereas this lacked in Spain, leading to substantial drift from the scheduled goals.

Institutional Mergers

Mergers in *Finland* and in *Wales* were intended to improve performance and competitiveness through concentration of resources in fewer higher education institutions. Finland was mostly concerned about global competition, while in Wales the sense of urgency was great, as increasing competition in UK higher education made the small Welsh institutions vulnerable.

In both cases, the central authority defined a target number of higher education institutions to which it wanted to reduce the system. In Wales the target was mostly indicative; in Finland, it was attained well before the target year of 2020.

In both systems, the higher education institutions that entered into merger processes did so on the basis of a voluntary strategic decision on their part, and each merger was treated as a *sui generis* case. Higher education institutions that engaged in a merger process gained additional financial support from the central authority. Through negotiations and close monitoring, the central authority kept a close watch on the merger processes moving in the desired direction and on their progress, while institutional autonomy was respected. Mergers that occurred on a voluntary base mostly succeeded. On the contrary, pushing higher education institutions to merge beyond their willingness appears risky and may go awry. In both cases, there were specific challenges: one merger process failed in Finland and one institution remained unwilling to merge in Wales.

Overall, in both cases the main operational goal – reduction of the number of institutions – has been achieved, thus changing the higher education landscapes. In Finland, mergers have taken place with similar effects as in Wales. However, the goal of developing different disciplinary profiles among Finnish universities has not been achieved. Moreover, while the merger of three universities in Helsinki into the new Aalto University aimed to create a ‘world-class’ university in the country, the Aalto University’s rise in the international rankings has not been remarkable so far.

Research – Teaching Nexus

The *Flemish* and *Dutch* reforms aimed at improving teaching and learning in the universities of applied sciences (UAS), or *hogescholen*, sectors of each system. In Flanders, the reform aimed at strengthening of the ‘academic’ orientation of study programmes by forcing UAS to associate with a university. In the Netherlands, the intention was to strengthen the overall research teaching nexus at UAS in order to produce graduates with an extended set of skills (reflective practitioners). Dutch universities were not part of the reform process and competition amongst the UAS was the mechanism adopted to strengthen research-oriented teaching and learning. Thus, in the Flemish case the research expertise came from the universities while the Dutch UAS had to develop a research orientation themselves.

The Flemish reform was mainly externally driven, as the Flemish government wished to align its higher education system with Bologna

process principles. In the Netherlands, the reform was essentially promoted by the UAS sector itself and accommodated by the Dutch government. The Flemish government opted for regulation, accompanied by limited one-off funding, whereas the Dutch government opted for 'soft regulation', followed up by a number of funding schemes.

The Dutch government very explicitly stressed that it wanted to maintain the binary divide, whereas the Flemish government was ambivalent in this regard. Nevertheless, in 2015 both systems are still binary. Both governments acknowledged the special nature of higher education institutions as fairly autonomous organisations, and therefore allowed a significant degree of self-governance during the reform process. However, in Flanders a small group of 'inner circle' experts and stakeholders played a key role (with clear interests), whereas in the Netherlands independent agencies managed the reform process.

In the Netherlands, there was close monitoring of progress from the outset and evaluations during the process created moments of learning that further shaped the process. In Flanders, agency reports focused primarily on outcome evaluation instead of on process evaluation.

Both reforms can be seen as a success. In Flanders, UAS two-cycle study programmes have been transformed into accredited bachelor and master programmes. In the Netherlands, curricula have been adapted, more research-oriented staff have been appointed, and practice-oriented research conducted by the UAS sector has become institutionalised. This comparison demonstrates that similar goals can be achieved successfully in different ways and by different means. Cooperation as well as competition can lead to the strengthening of the research-teaching nexus. At the same time, the Dutch structural reform process was smoother, more orchestrated, and less unpredictable than the Flemish one, which seems to be related to a more straightforward design and implementation process (with an independent 'process manager'); the change being driven by the sector itself and seen as leading to its maturity; and lower levels of complexity in the sense that the reform concerned a sector instead of the whole system. Moreover, while in the Netherlands the impacts of the change were mainly felt in the UAS sector only, in Flanders the system as a whole has changed and power imbalances have increased considerably, with the universities in Leuven and Ghent as increasingly dominant players.

Other Reforms: Accreditation and Quality

The main goal of the *Norwegian* reform was to increase efficiency and quality of the system, by giving higher education institutions more autonomy and allowing them to profile and position themselves in the sector. In this context, university colleges also had the opportunity to ‘upgrade’ to university status pending the approval of the quality assurance agency Norwegian Agency for Quality Assurance in Education (NOKUT). The reform has been successful in making the system more diversified and strengthening institutional profiling; the number of universities increased from four to eight.

In response to the ‘mushrooming’ of the private sector after 1989 and the perceived low quality of the higher education provision, the *Polish* government promoted the introduction of compulsory accreditation (PKA). The accreditation led to the closure of many low-quality study programmes and institutions and in that sense was successful. The private sector has contracted ever since, although the beneficial impact of the PKA has decreased over time. The involvement of major academic representative bodies in policy design was seemingly crucial to achieve wide acceptance of the PKA from the outset.

CROSS-CASE VIEW OF CRITICAL ELEMENTS IN THE POLICY PROCESS

All reforms described and analysed in the preceding chapters were government initiated or supported. They also were partly similar regarding the types of reforms; governments either intended to bring about more horizontal or vertical differentiation in the system or intended to address the interrelationships between higher education institutions. That said, within these types, we saw both similarity and differences. It appears that the excellence initiatives showed more similarities. Through deeming eyes, these reforms all focused on additional funding for promising bids of universities or university alliances to improve the quality of research. At the other end of the spectrum, the reforms pertaining to horizontal differentiation seemed much more divergent. The setting up of an ‘alternative’ sector in Austria and strengthening the (practice-oriented) research focus in the UAS sector in the Netherlands were quite different policy reforms.

As has been highlighted above, the structural reforms presented in this volume differ not only in the degree to which they affected the higher education landscape, but also in terms of the *policy processes* that unfolded

from the emergence of a reform idea to its materialisation. Inevitably, the question emerges: which factors explain the success or failure of the reform policies?

Bearing in mind that we ‘only’ analysed 11 case studies, that the cases also differed in terms of contextual conditions (if only for the fact that some reforms took place recently and others two decades ago), we will not be able to offer the ultimate answer to this question, but we hope to be able to at least offer our reflection on critical elements in the policy process. With the term ‘critical elements’ we stress that these factors are not conditional factors (necessary and sufficient) for success.

Agenda-Setting and Policy Design

Reflecting on the question why the reforms were put on the agenda, it is striking to note that governments very often referred to European and global developments. Less favourable positions in the global rankings (e.g. France and Spain), being out of step with the action lines of the Bologna Process (Flanders), the more general impression that the educational system was not in sync with European educational structures (Austria) and signals that domestic policies were not sufficiently attuned to the European Commission’s Modernisation agenda (e.g. Spain) were frequently found in the policy documents that framed the domestic policy problem. Whereas it could be argued that actors within the domestic higher education systems would not be sufficiently motivated by or even be critical towards these ‘alien’ developments, our findings suggest that these actors understood that ignoring these external factors in the long run would not be in their interest. The external developments (irrespective whether these were seen as opportunities or threats, and however particular the translations of these external developments may have been) were used by the governments to legitimate their reform ideas and to stress the urgency of the reforms, and it appears that most actors in the policy arena did not contest the way the governments framed the policy problem.

Despite the noticeable urgency of some of the reforms, governments did not suddenly impose the reforms. Even though some ideas were developed in a short period of time, none of the cases show signs of ‘reform by stealth’. It appeared that in the more successful cases (goal achievement) considerable (and deliberate) attention was given to creating consensus among major actors in the higher education system during the design phase in order to reduce potential conflicts during the implementation phase. This

was particularly the case in the reforms in Norway, Poland and Wales. Where such consensus was not achieved, problems emerged in the implementation (e.g. Croatia and Spain).

Consensus is likely dependent on whether actors' interests are served. For sure, interests are diffuse across stakeholder groups, neither necessarily coherent within a particular stakeholder group, nor consistent over time. It was nevertheless striking to find that in cases where reform initiatives ran counter to the interests of a particular (and important) group in the higher education system, success was limited. Turning the argument around, it appears that reforms were most successful if every actor (or collective of actors) involved had something to gain from the reform or at least not to be disadvantaged. The success of the reform in Denmark, France, Austria, Norway and the Netherlands can be traced back to the fact that none of the interests of various actors were significantly harmed. The lack of success or limited success was apparent in Croatia, where the interests of the university sector were threatened and in Spain where – initially – it looked like there would only be a limited number of 'winners' in the Campus of Excellence Initiative.

Implementation

The wish, in most cases, for consensus and the imperative to seriously consider each (important) stakeholder's interests extends from the design to the implementation phase. Implementation turned out to be faster and mostly unproblematic if stakeholders had had a say in earlier stages of the policy process and if the various interests continued to be served.

However, interests being served were not the only important element of implementation. Whereas in the initial phases of the policy processes there was much attention to communication (as in exploring the policy options and 'testing the waters'), later on, governments relied more explicitly on 'hard' instruments. Most of the structural reforms relied primarily on regulation, specifically on system level legislation or regulation related to institutional and programme accreditation. Also, changes in funding models (e.g. Austria, Finland and the Netherlands) as well as specific grants and earmarked funding (e.g. Denmark, France, Finland, the Netherlands, Spain and Wales) were introduced. In some cases, there was no specific funding instrument developed (e.g. Croatia) or funding was withdrawn (e.g. Spain), which diminished the success of the reform or changed the reform path, respectively.

In contrast to the expectation that a clear implementation plan (with clear timeframes) would support implementation, we found that such plans were often lacking. Nevertheless, some of the less orchestrated reforms were successful. Obviously, for some of the complex reforms, it was understandable that governments were hesitant to set deadlines up front. Political adversaries and those not agreeing with a reform might use the argument of not meeting deadlines as failure. At the same time, offering the implementers more leeway to adjust the general plans to the local circumstances may increase goal achievement. The latter approach appeared to have worked well, especially in the cases that focused on intensifying cooperation between institutions (Wales, Denmark, Finland, Flanders and Spain). It worked as well in the Dutch case (horizontal differentiation) although it is fair to state that – in comparison with most other cases – the Dutch government’s approach was much more of a facilitative nature than a case of imposed reform. The downside of the policy with an open implementation plan became visible as well in some case studies. For instance, strong involvement of institutions or regional authorities led to unforeseen effects, resulting in deviations from the initial goals and plans and also led to some unintended outcomes (e.g. Flanders, Croatia and Spain).

Additional funding specifically allocated for reform implementation or changes in how funding is allocated in general, also emerged as a critical element. Financial support adequate for the scope of the reform (e.g. France and Wales) and allowing a sustained effort (the Netherlands), enables its success, while cases in which funding was not considered as a reform instrument (e.g. Croatia) or where insufficient additional funding was allocated (e.g. Spain) turned out to be less successful. Obviously, funding and especially recurrent additional funding is a powerful instrument to change institutional behaviour (Hood and Margetts, 2007). Temporary funding has a downside, in that it creates uncertainty as actors might not be sure about whether they will be able to sustain the reform. Despite the importance of funding for reform, governments apparently have paid limited attention to an accurate estimation of the costs involved (i.e. have set the budget a priori) and to specifying budgets for different phases of the reform.

Evaluation and Monitoring

One of the most striking findings in our research is that governments hardly paid attention to monitoring the reform progress, or did not evaluate the whole reform against the strategic reform goals. We

already signalled that it would be hard to judge the effectiveness of the – rather abstract – goals of the reform (increase quality, make the system more effective, etc.). Formulating such very generic goals creates the impression that they were largely symbolic and therefore need to be seen as pointers for the direction of the reform, but not as actual, measurable benchmarks for the evaluation of goal achievement. That said, there was plenty of scope for mid-term evaluations and ex post evaluations related to the achievement of operational goals. Mid-term evaluations were used in, for example, Denmark, the Netherlands and Spain, sometimes with the intended, formative effect to adjust or redesign the reform. In Norway and Austria, university researchers were commissioned to evaluate the reform ex post. Obviously, monitoring allows reformers to highlight potential barriers and problems in the implementation process. Insofar as governments made use of evaluation, it was often through a single instrument. It could be argued that a thought-out combination of tools (reports, indicators, expert reviews, international advisory panels, etc.) applied as concurrent monitoring together with large-scale ex post evaluation would yield more and richer insights into progress and achievements.

Contexts Matter

We stressed that the success of the reform cannot solely be measured by factors directly linked to the stages of the policy process. The cases confirmed our initial expectations that contexts matter. They impact the problem definition (see section ‘Agenda setting and policy design’ above), and they also affect the implementation, for example, demographic changes in Poland and the economic crisis in Spain.

Interestingly, one would expect changes in the governments (elections leading to new coalitions gaining power, with potentially different priorities regarding higher education) to impact the reforms, but our cases show that this has hardly affected the policy processes and their success (e.g. Croatia, Flanders, France, Netherlands, Norway and Poland). It appears that the structural reform policies we investigated are not so much ‘coloured’ by preferences of political parties in power as happens in some other policy domains in other aspects of higher education policy (student fees and support, equality issues, etc.).

Critical Elements: Summary

From the policy process analysis, the following critical factors emerged: the involvement of salient stakeholders, the development and appropriateness of funding instruments, the importance of a ‘win-win’ reform design, the consideration of time frame for the reform, and the relevance of monitoring and evaluation.

In a nutshell, for structural reforms in particular, and arguably for higher education reform processes in general, it is important to involve the main stakeholders already in the design stage and to build consensus on the need for the structural reform and its strategic and operational goals. Moreover, when designing reforms, due attention should be paid to ensuring adequate funding instruments to support the reform and avoid over-reliance on a single or limited set of instruments (e.g. regulation). This further means that, to the extent this is possible, a ‘win-win’ reform design that is sensitive to the different contexts and interests of the institutions in the system is particularly important. The time frame for the implementation and evaluation of the structural reform, which is commensurate with the scope and complexity of the reform is particularly important, also in relation to the type of involvement of actors at the grass-root level. Finally, systematic monitoring and evaluation, which supports adaptation of the reform design and implementation where needed, and allows the achievement of the strategic and operational goals to be properly assessed, is necessary.

REFLECTIONS ON (HIGHER EDUCATION) POLICY ANALYSIS

Apart from confronting our findings with the theoretical and conceptual points of departure, it seems worthwhile to relate what we found to other (recent) comparative studies on higher education reform and change. The first study relates to the Transforming Universities in Europe project that studied and compared governance reforms (and organisational responses) in eight European countries. Although there is limited overlap in the sample of countries (the project focused on Portugal, Norway, the Netherlands, France, Italy, Germany, Switzerland and England), the focus on politico-administrative structures resonates with what our project investigated. Bleiklie and Michelsen’s (2013) paper looked at the potential impact of these politico-administrative structures, including Rechtsstaat, public interest, Napoleonic and consensual traditions. It must be stressed

that Bleiklie and Michelsen (2013) took a longer term perspective on changes in structures and reform activities over a period of 3 decades and that we looked at ‘only’ one reform – although arguably an extensive reform. That said, to some extent we recognise these traditions in the way the reforms evolved in our case studies. We do for instance recognise the more consensual approach in the Netherlands, Flanders and Norway (especially in the policy design phase) and the more legislation-oriented approaches in the Napoleonic countries, France and Spain. On the other, we emphasise that within one tradition there are significant differences. The regimes in the Scandinavian countries would be comparable, but the reform projects were quite distinctive in its focus, policy process and instrumentalisation. In that sense, our findings are in line with Christensen et al. (2014, p. 46) arguing that reforms ‘get a very specific national flavour and colour’.

The second study (Dobbins and Knill, 2014) looked at governance and policy developments in higher education in France, Italy, Great Britain and Germany from the mid-1980s to recent times. They stressed the varied paths of the reform developments. Like the Bleiklie and Michelsen (2013) paper, their focus was on general reform trajectories. The findings of Dobbins and Knill (2014, p. 188–189) clearly link to ours in their emphasis – despite similar global challenges – on reform patterns being ‘filtered through the strategic opportunities and constraints provided by the domestic institutional context’. This was especially evident in our case studies where some or considerable leeway was given to the higher education institutions themselves to engage with the reform challenges, leading to (partial) failure of the reforms or unintended outcomes and side effects (particularly Croatia, Spain, Norway and Flanders).

We now turn to conceptual-theoretical reflections. In the introductory chapter, we presented our policy process perspective that emphasised the interaction between actors in the policy arena. We started off with the idea that there are a multitude of actors involved in various stages of the policy process that (very likely) have different interests and capacities (John, 1998). The chapters highlighted how interactions between various actors with often diverging interests, set in the wider context of the higher education system and the development of public sectors, affected the different stages of the policy process. It was also demonstrated that in many cases the policy stages often overlapped and interacted, for example, there have been redesigns of policy instruments and reformulations of reform goals during implementation (Croatia and Spain, respectively).

Moreover, how the policy process unfolds also reflected the wider steering arrangements, effectively meaning that in some cases in which the government had more of a supportive than a leading role (e.g. Dutch reform), the policy design stage was characterised by a ‘light touch’ approach with regards to national level policy instruments, while more specific approaches to implementation had to be hashed out by higher education institutions themselves.

In general, the focus on different policy stages enabled a nuanced analysis of the intricacies of agenda setting, policy design, implementation and evaluation, as separate action arenas (Ostrom, 2005) with possibly different actors in each stage and different (types of) interactions between these actors. Moreover, given that all case study analyses relied on a process-tracing approach, it was also possible to identify how different action arenas affected each other and how outcomes of interactions in one arena spilled over into others (see also Fig. 1 in the introductory chapter). In addition, it also provided the basis for important insights relevant for policy analysis in general.

First, concerning actors, their interests and the capacity they have to influence the outcome of interactions in each action arena, it should be stressed that which actors are relevant at which point of the policy process should be considered as an empirical matter and not a conceptual decision to be decided upon a priori. For example, even if some of these reforms concerned directly only part of the higher education sector (horizontal differentiation reforms) or a handful of higher education institutions (vertical differentiation or interrelationships), the set of actors whose interests should be considered in the analysis was much wider. This is in line with the idea that an individual policy process (in this case specific structural reforms) cannot be analysed in isolation and that more general institutional arrangements and actor constellations must be taken into account (May, 2015). In addition, not deciding a priori which actors may matter and should be focused upon allows for the identification of actors which do not usually take part in higher education reform processes, yet may affect the policy process, either early or later on, in a decisive manner. An example of this was the involvement of the Constitutional Court in Croatia which got involved in the redesigning of policy instruments, a quite extraordinary development given that higher education reforms rarely become constitutional matters.

Second, analysis of actors and their interests should be done in such a way as to not presuppose homogeneity of interests or equality for actors of

the same type. In other words – as examples from Flanders and Norway demonstrated – not all institutions, even when belonging to the same type (e.g. universities) occupied equal positions. Although specific advocacy coalitions (Sabatier, 1988) have been identified in many of the cases, it should not be assumed that such coalitions are necessarily stable over time. Moreover, given that not all actors in an action arena are equal, more powerful actors (e.g. flagship universities) can sometimes seek to influence the policy process on their own, but at other times may join forces with other institutions (see e.g. Flanders). Conceptually, this means accepting that higher education institutions and other stakeholders act strategically and even may ‘break ranks’ if a more collective approach is not serving their purposes adequately (Ahrne and Brunsson, 2008). Operationally, this means that one should look both at the interests, positioning and behaviour of actors such as rectors’ conferences or associations of polytechnics as well as at the interests, positioning and behaviour of individual institutions at different points in time without presupposing coherent strategies and tactics.

Third, actors in an action arena are not necessarily independent from each other. This concerns in particular the linkages between, on the one side, state level agencies or buffer structures, and, on the other side, higher education institutions and more generally the academic profession. Depending on the specific steering arrangement (Olsen, 1988; Gornitzka and Maassen, 2000), the academic profession may be in the position to exert influence over both the higher education institutions and the state agencies and buffer structures (e.g. the Croatian case). In other words, it would be misleading to treat actors as separate black boxes and assume that formal independence translates into actual independence.

Fourth, in a specific policy process, actors may advocate preferences that are closely linked to the reform project at hand, but may also bring forward preferences that are more encompassing and concern higher education more generally, or concern parallel reform processes. The fact that many of the structural reforms analysed in this volume were part of larger reform efforts means that it was necessary to take into account this wider context in the analysis, given that it may affect goal definition, policy instruments as well as implementation and evaluation. Some structural reforms benefitted from being embedded in a wider reform movement (e.g. Austria, Belgium, France, Wales) while others suffered from the same type of situation (e.g. Croatia). There were also reforms (e.g. Norway) which were intertwined with longer term change processes preceding the

actual reform, and as such would not be adequately understood if the analysis would have focused on the specific structural reform in isolation from its historical and wider policy context. Thus, it is necessary to pay due attention to three types policy linkages (Gornitzka, 1999): horizontal ones – with parallel reform processes or reform processes in other sectors), vertical ones – with reform processes at other governance levels (e.g. the Bologna Process), and historical ones – with policy legacies.

In sum, policy analysis in higher education will continue to benefit from the analytical structuring into policy stages but must remain open to the fact that these stages will overlap and interact. An action arena approach (Ostrom, 2005), which couples the focus on actors and their interactions, with the more general institutional arrangements affecting these interactions, has proved to be a useful one. It also allowed for a more nuanced approach to analysing actor constellations as more than just black boxes, exploring their heterogeneity and interrelationships. It enabled an analysis of an individual policy process in a wider context and thus provided the basis for an assessment of the extent to which a particular reform was successful or not. In addition, it also points at the importance of realising that the antecedents of a specific policy outcome may not be found only in the policy itself but also in the more general governance arrangements (Peters, 2015). In effect, while the claim that no higher education system is an island may not be particularly new (see e.g. Gornitzka, 2006), we should also bear in mind that no policy is an island either.

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APPENDIX – INTERVIEWED EXPERTS, PER CASE STUDY

AUSTRIA

Mag. Friederich Faulhammer, Rector of the Danube University Krems, former Secretary General Austrian Federal Ministry for Science and Research.

Mag. Kurt Koleznik, Secretary General Fachhochschulkonferenz (Association of University of Applied Sciences).

Prof.(FH) Mag. Eva Werner, Hon. Prof. Rector IMC Fachhochschule Krems.

Dr. Helmut Holzinger, Managing Director Fachhochschule des bfi Wien (University of Applied Sciences bfi Vienna) and President Secretary General Fachhochschulkonferenz (Association of University of Applied Sciences).

Mag. Dr. Wilhelm Brandstätter, MBA Head of Department IV/11 responsible for University of Applied Sciences at the Federal Ministry of Science, Research and Economy.

Regina Aichinger, Head of higher education research and development FH Oberösterreich (University of Applied Sciences Upper Austria).

CROATIA

- MSc. S. Bezjak, Deputy Director of the Agency for Science and Higher Education (ASHE).
- Prof. S. Ćosović Bajić, Chair of the Council polytechnics and schools of professional HE; Dean of Polytechnic of Zagreb (public non-university HEI).
- Prof. V. Cvrtila, Dean of VERN (private non-university HEI based in Zagreb), former professor at the Faculty of Political Science at the University of Zagreb.
- Prof. M. Jelić, Dean of Polytechnic of Knin (public non-university HEI in Knin, one of the poorest regions of Croatia).
- A. Tecilazić Goršić, Ministry of Science, Education and Sports; Head of Department for higher education quality, international cooperation and European initiatives.

THE NETHERLANDS

- Drs. C.J.G. van Gageldonk, former Secretary of the ‘Stichting Kennisontwikkeling HBO’ (Foundation Knowledge Development HBO).
- Drs. R.B.J. Jorna, Director School of Health, Saxion University of Applied Sciences.
- Prof. F. Leijnse, former chair of the Netherlands Association of Universities of Applied Sciences (‘Vereniging Hogescholen’).
- Drs. R.H. Slotman, Director NWO division Task Force Applied Research (‘Regieorgaan Stichting Innovatieve Alliantie’).
- J. van der Vos, Domain Research, The Netherlands Association of Universities of Applied Sciences (‘Vereniging Hogescholen’).

NORWAY

- Borghild Abusland, senior policymaker at Ministry of Education (retired).
- Rolf L. Larsen, senior policymaker at the Ministry of Education.
- Ingvild Marheim Larsen, senior policymaker at the Ministry of Education.
- Per Olaf Aamodt, higher education researcher at NIFU, member of the Mjøs Commission.
- Ole-Jakob Skodvin, Director of Analysis and Development at NOKUT.
- Bjørn Stensaker, professor of higher education at the University of Oslo.

POLAND

- Dr. Tomasz Jędrzejewski, Legal Expert of the Rectors' Conference (KRASP) involved in legislative work since 2005.
- Dr. Andrzej Kurkiewicz, Deputy Head of Department of Innovation and Development, at the Ministry of Science and Higher Education.
- Dr. hab. Krzysztof Leja, Expert of the Rectors' Conference (KRASP), expert in university governance and management.
- Bartłomiej Banaszak, Former president of Student's Parliament and at present chief expert on alumni transfer to the labour market.
- Dr. Andrzej Rozmus, Expert on private sector of higher education and Vice-rector of a private HEI in Rzeszów.
- Prof. Dr. hab. Tadeusz Kufel, Member of the PKA in the field of economics and management

DENMARK

- Professor Jens Oddershede, former vice-chancellor of University of Southern Denmark and chairman of the Confederation of Danish Universities. Current chairman of the Danish Council for Research and Innovation Policy.
- Professor Thomas Bjørnholm, current Prorector for Research and Innovation, University of Copenhagen, former PI of one of the UNIK-projects.
- Johnny Mogensen, Head of division, The Danish Ministry of Higher Education and Science.
- Karin Kjær Madsen, Senior Consultant, The Danish Ministry of Higher Education and Science

FRANCE

- Mr Arnaud Torres, director, 'Direction des Investissements d'Avenir et de la Compétitivité', ANR – The French National Research Agency (Agence Nationale de la Recherche).
- Mr Jean Pierre Korolitski, Directeur de programme centres d'excellence.
- Mr Vincent Moreau, Conseiller chargé du suivi des investissements, CGI – (Le Commissariat général à l'investissement) in charge of piloting the programme 'investissements d'avenir'.

Mme Diane Pouget, ‘sous-direction de l’immobilier’, MESR – Ministry of Higher Education and Research.

Mr Alain Abécassis, department head of ‘Service de la coordination des stratégies de l’enseignement supérieur et de la recherche’, MESR – Ministry of Higher Education and Research.

Mr Eric Piozin, department head of ‘service de la stratégie de contractualisation, du financement et de l’immobilier’, MESR – Ministry of Higher Education and Research.

PIerre Mutzenhardt, President, University of Lorraine.

Khaled Bouabdallah (COMUE de Lyon), Campus & IdEx 2016, Head of universities Lyon/St. Etienne.

Gérard Blanchard (COMUE La Rochelle), Head of universities La Rochelle.

SPAIN

Fernando Casani, Professor at the Autonomous University Madrid; Executive Director of the Association CEI UAM-CSIC; author of papers examining the Campus of Excellence Initiative.

John Goddard, Professor at the University of Newcastle (UK) – expert of the International Evaluation Committee.

Javier Vidal, Professor at the University of Leon - Director General for Universities in the Ministry of Education and Science 2006-2007; author of papers on Spanish higher education.

Luis Delgado, Deputy Director General of Modernisation and Internationalisation of Universities, Ministry of Education 2009 - 2012. Technical Secretary of the International Assessment Committee for the selection of the proposals and of the international evaluation committee.

José Manuel Martínez Sierra, Professor at the Minda de Gunzburg Center for European Studies at Harvard University and Faculty Associate of the David Rockefeller Center for Latin American Studies; former Director General for International Relations, Ministry of Education and President of the International Assessment Committee for the selection of the proposals (2009).

Paz Suárez Rendueles, Professor of the University of Oviedo and Vice-rector for Research and Campus of Regional Excellence ‘ad Futurum’.

FLANDERS

Dirk van Damme, General Director of the Flemish Rectors' Conference, 2000-2003, chief of staff of the Flemish Ministry of Education, 2004 and 2008.

An Descheemaeker, coordinator of the Catholic University of Leuven association.

Bert Hoogewijs, Rector University College Ghent, 2004–now, former head of administration, Ghent University (1991-2004).

Noël Vercruyse, director, Department of Higher Education, Ministry of Education and Training, Flanders.

Ton van Weel, staff member Catholic Education Flanders, 2006–now, Flemish Student Union VVS, 2003-2005.

Kurt de Wit, higher education researcher/policy advisor, Catholic University Leuven.

FINLAND

Ms Anita Lehtikainen, the Permanent Secretary of the Ministry of Education and Culture.

Dr. Turo Virtanen, Secretary-in-chief for the Aalto University merger planning group.

Prof. Aino Sallinen, Rector Emerita of the University of Jyväskylä and an active discussant in the Finnish higher education policy discussions.

WALES

David Allen, Chair of the Higher Education Funding Council for Wales.

Ewen Brierley, head of Sustainability and Assurance, Higher Education Funding Council for Wales.

Phil Gummett, Ex Chief Executive, Higher Education Funding Council for Wales.

Rob Huggins, Director Centre for Economic Geography, Cardiff University.

Sue Hybart, Director Strategic Development Planning Division, Cardiff University.

Brian Morgan, Director Creative Leadership and Enterprise Centre, Cardiff Metropolitan University.

Huw Morris, Director of Skills, Higher Education and Lifelong Learning for the Welsh Government.

Lyndon Murphy, Senior Lecturer in Strategic Management, Cardiff Metropolitan University.

Lisa Newberry, Assistant Director at Universities Wales.

Richard Watermeyer, Senior Lecturer in Education, University of Bath.

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