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Higher Education Systems and Institutions, The Netherlands

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The Higher Education System

The Dutch higher education system has 14 universities (including the Open University), 37 universities of applied science (UAS, also HBO institutions; in Dutch “hogescholen”), four religious/philosophical universities (publicly funded), and a number of private higher education providers whose full-time students receive public funding for accredited programs. In this chapter, the focus is on the research-led universities and the UAS.

In this binary system, the university and UAS sector are referred to as “equal but different,” indicating that they are both part of the higher education sector but having a different mandate, focus, history, and culture. Within the two sectors, stratification is modest, a likely consequence of the rather egalitarian principles that structure Dutch society. Differences in quality and reputation exist among disciplines, departments, and chairs, but arguably less so among institutions within each subsector.

In 1960, the Dutch universities were granted the status of public legal entities. The universities

are research driven, offering education with an academic orientation (strong teaching-research nexus) and have the right to award doctoral degrees. The smallest university (in terms of student numbers) has about 10,000 students, the largest one just over 30,000. From an international perspective, the Netherlands have outstanding universities, as, for instance, many global rankings indicate. The universities promote their common interest through the Association of Universities in the Netherlands (Verening van Universiteiten; Dutch acronym VSNU). Besides promoting the university sector interests, the VSNU is an employers’ organization (see section on “Personnel”).

Since the 1970s the UAS have become a well-recognized part of Dutch higher education. Historically, the sector was rooted in the secondary education sector. In 1986, the sector became a subsector of higher education (1986 Act on HBO), and in 1993 regulations concerning the UAS sector, as those for the university sector, were stipulated in the national Act on Higher Education and Scientific (see section on “External Governance and Regulation”). The number of HBO institutions has declined from 375 in 1983 to 37 in 2015, due to a continuous “merger reform”, initiated in 1983 when the government launched the reform “Scale enlargement, Task division, and Concentration” (STC).

The UAS sector is very heterogeneous. There are, for example, ten UAS with more than 20,000 students (the largest UAS has more than 45,000

students), but there are also ten institutions with less than 1,000 students (mainly in arts and teacher training). The Bachelor and Master programs of these UAS are vocationally driven. Compared to universities, they have a stronger regional focus. During the last 15 years, the UAS have established a stronger research and knowledge exchange orientation, although teaching and learning remains their main focus.

The Netherlands Association of Universities of Applied Sciences (Vereniging Hogescholen; Dutch acronym VH) is the national representative organization, promoting the interests of the 37 UAS. It provides a platform for UAS collaboration, is a discussion and negotiating partner with the government, and functions as the employers' organization on behalf of the UAS (see section on "Personnel").

A steep growth of student numbers characterizes the recent history of Dutch higher education (see Fig. 1). In about 40 years, student numbers have grown from about 300,000 in 1975 to almost 700,000 in 2013. It is primarily the UAS sector that had high growth figures.

For a non-English speaking country, Dutch higher education institutions offer a broad range of programs taught in English (more than 2,100 programs). In 2015, close to 75,000 students came from abroad (around 10% of the student population), the large majority of them as degree mobility students. In 2015, around 44% of the international students pursued a UAS degree and 56% a university degree. In 2013, the total number of Dutch students studying for a bachelor or master degree in another country, with Belgium and the UK as favorites, was 13,700. In 2013, 10,600 Dutch students were studying or doing an internship abroad through the Erasmus+ program (to earn credits), with the UK and Spain being their favorite destinations.

External Governance and Regulation

The most important legislation that functions as the system's framework is the national Act on Higher Education and Scientific Research (Dutch acronym WHW) from 1993. The WHW

addresses the relationships between government, higher education institutions, and some agencies. The topics covered in the WHW are types of institution, funding, consultation structure, personnel matters, oversight, accreditation, education (e.g., degrees, titles, access, supply, registration, and exams), collaboration among higher education institutions, and internal institutional governance. Taking this legal framework into account, institutions (have to) establish their own regulations and bylaws. As the result of that, many differences among the institutions exist, despite the uniformity effect of national regulations.

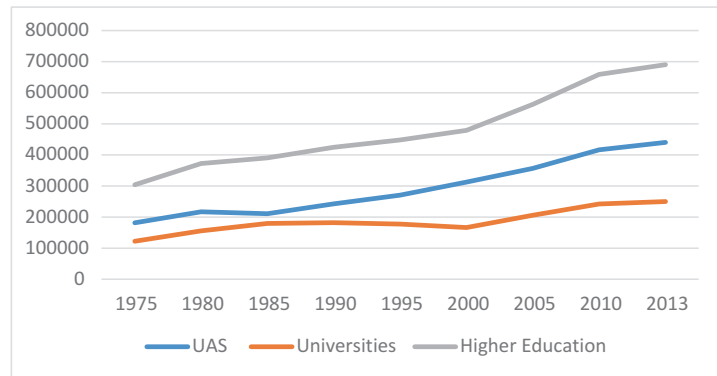
The WHW stipulates that every 6 years, the institutions have to publish a strategic plan, addressing its education and research priorities and policies, intentions to enhance educational quality, and the financial, personnel, and infrastructural conditions to reach their goals. The minister must respond to these strategic plans within 6 months. The ministry is also obliged to publish once every 4 years its strategic plan, to be approved by the Parliament, outlining its policy intentions, including a financial forecast to substantiate its intentions.

The WHW also stipulates several accountability requirements for institutions such as the publication of their annual report, their budget, and their financial account as well as the outcomes of quality assurance measurements. Moreover, in consultation with student organizations, institutions have to provide different types of information about their educational programs to give students the opportunity to compare programs and to increase transparency in study choice.

In 1985, the government published the white paper 'Higher Education: Autonomy and Quality' ("*beleidsnota HOAK*"), a turning point in the history of Dutch higher education governance. In this white paper, the concept of "steering from a distance" was launched. Remote government control and increased institutional autonomy to increase system performance were the elements in this new governmental steering approach. In subsequent years, many policy reforms were initiated and implemented to realize these "HOAK intentions." Simultaneously new mechanisms of control, for instance, in the area of quality assurance, have

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Fig. 1 Development of student numbers in Dutch higher education 1975–2013 by sector (Source: CBS Statline, <http://statline.cbs.nl/Statweb/>)



been promoted and introduced. Over the last three decades, the government’s position has been a balancing act between “stepping back” and “involvement and interference” in terms of steering.

Internal University Governance

The WHW also prescribes the “backbone” of the governance structure of higher education institutions (prescribing its governing bodies, composition, and main authorities). More detailed governing rules and procedures are set by the institutions themselves.

Turning points in the recent history of the internal governance system of Dutch universities are 1970 and 1997. Prior to 1970, academic matters were to a large extent dealt with by the faculties, that is the professors. The participation of students, junior academics, and nonacademic staff was limited. Due to the strong growth in the size of universities and societal changes in the 1960s, this internal governance structure radically changed by the adoption of the University Governance Reform Act of 1970 (Dutch acronym WUB). This Act created a system of functional representation in which academics, nonacademics, and students were given the right to elect representatives in councils at the central and faculty level. The gravity of power resided in these councils.

In 1997, the government imposed a new governance structure for universities (and a year earlier for UAS), laid down in the Modernization

University Governance Act (Dutch acronym MUB). The MUB stipulates the basic organizational form of the contemporary institutions. The minister argued that for reasons of effectiveness, decisiveness, and efficiency, stronger executive leadership and management was needed. Executives were empowered. Representative councils of staff and students at central and faculty level were stripped from some of their main powers and became predominantly advisory bodies rather than governing bodies with co-decision powers. The MUB also introduced a “new” governing body at the apex of the university: the supervisory board (with external members only, appointing the executives at central level and overseeing, among other things, the functioning of the central executive board). Moreover, departments, as a legal decision-making entity, were abolished. The main powers at faculty level were granted to a dean, not elected from within the faculty, as it used to be the case, but appointed by the central executive board.

Funding

The universities have income from three different funding streams. The first income stream consists of a basic grant from the government and student tuition fees (see details below). The second income stream concerns research funding from the national research councils (Netherlands Organization for Scientific Research (NWO) and Royal Dutch Academy of Science (KNAW)). In 2014, this second income stream was about 0.08%

of the GDP. The third income stream consists of project-related third-party income (contract activities for business and industry, specific government funds, and EU-based projects). In recent years, the third stream has increased significantly. In 2014, it was 0.26% of the GDP.

The basic grant from the government, as the main part of the first stream, has four components (percentages refer to 2014):

- The education component (40% of the basic grant):
 - A student-related part (65%) allocated on the basis of the share of enrolled students within the nominal study duration and the number of degrees, both multiplied by a program dependent factor
 - A fixed sum that varies across the universities (35%) for special facilities or vulnerable subjects
- The research component (42% of the basic grant):
 - Share of bachelor and master degrees (15%)
 - Number of PhD degrees (20%)
 - Strategic funding for specific programs (7%)
 - A fixed sum that varies across the universities (58%)
- Medical education and research (15% of the basic grant), for universities with an academic hospital (8 out of the 13 universities), based on student numbers, degrees, fixed sum, and facilities.
- Performance budget (3% of the basic grant), consisting of conditional funding based on bilateral performance agreements between government and institution. With respect to educational quality enhancement, study success, and institutional profiling, government and individual institutions agree on goals to be achieved by an institution in a 4-year period. If these goals are not met according to the view of the minister whose assessment is based on the work of an independent national committee, an institution may lose part of its funding for the next round.

Figure 2 shows that the basic grant from the government has increased over the last 15 years. However, over the same period, student numbers have grown considerably as well. As the result of that, the amount of basic funding per student has declined. In the same period, the total research capacity of universities (in FTE) has also grown significantly. Therefore, the share of basic funding for university research has dropped (see Fig. 3). For example, the share of university researchers funded through the first stream has declined by 9% during the period 2000–2014.

The UAS receive a basic grant from the government (70% of their total income in 2015), tuition fees (21%), and third-party income through contract activities for business, industry, and government (9%). Since 2014, there is research funding available through the national research council NWO for practice-oriented research, allocated on a competitive basis. The allocation model, adapted in 2011, is using the following parameters:

- Educational component:
 - Student-related funding (student numbers, degrees)
 - Institution-specific funding related to specific policy objectives (e.g., quality enhancement)
- Design and development component, meant for research, and a fixed sum
- Performance budget (see funding model for universities)

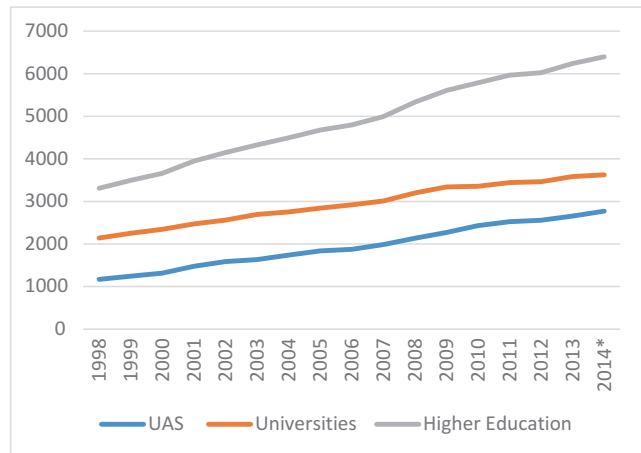
Tuition Fees and Public Financial Student Support

Since 1945, university students have to pay a uniform tuition fee, indifferent to the type of study program. The fee is determined by the government. In the UAS sector, students have to pay tuition fees since 1981. Since the 1990s, UAS students have to pay the same tuition fee as university students.

There are different types of tuition fees. For Bachelor and Master programs, students pay a tuition fee of nearly € 2,000 per year (2016).

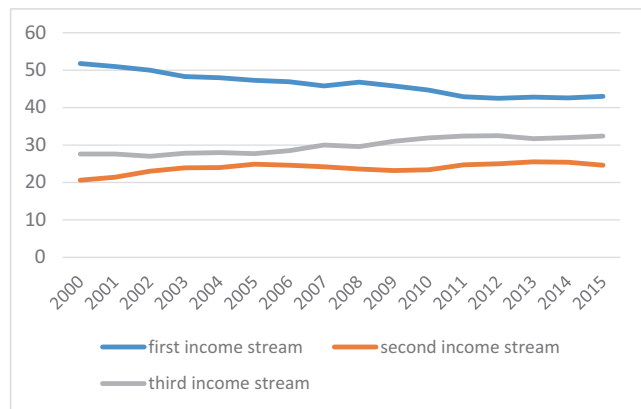
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Fig. 2 Basic government grant for the institutions in million Euros, total and by sector (1998–2014)
(Source: CBS Statline <http://statline.cbs.nl/Statweb/>)



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Fig. 3 University research capacity per income stream, in percent (2000–2014)
(Source: CBS Statline, <http://statline.cbs.nl/Statweb/>)



Students doing a second higher education program, after having already obtained a higher education degree, have to pay the so-called institution tuition fee (with some exceptions). Higher education institutions determine this fee. This institution fee also applies to non-European Economic Space students. Thus, in principle, international students from outside the European Union pay a tuition fee set by the higher education institutions. As the result of this, for the same type of study program, tuition fees for these students may differ. In 2014/2015, the average institution fee was about € 9.200. Finally, there are different fees for part-time students. These fees are lower than the fees for full-time students and are set by the institutions.

Before the 1970s, financial student support from the government was limited. In fact, in most cases, parents paid for the study of their

children. The Student Finance Act of 1986 introduced a more generous system, with a basic grant for all full-time students (independent of parental income), a means-tested supplementary grant for some students, and the possibility to take out loans (on favorable interest rates) (Kaiser and Vossensteyn 2005). Since 1986, several adaptations have taken place, most of them related to a reduction in the share of the basic grant (free gift), stricter conditions for the duration of the grants, and more performance driven (grants available for a restricted period of study time and related to study progress).

In 2015, the financial student support changed with the introduction of the so-called social loan system. One of the key changes was the abolishment of the basic grant. In 2014, this gift was € 291 per month for students living away from home and € 104 per month for students living

with their parents. For students starting a higher education study after 2015, the financial support system has four (possible) components: (1) a loan, with a maximum of € 868 per month; (2) a free public transport ticket; (3) an additional loan, dependent on parental income; and (4) a tuition fee credit (a loan of € 165 per month to enable students to pay their tuition fee). If students obtain their degree within 10 years, the public transport ticket and the additional loan become a gift; otherwise these need to be paid back, just as the two other components.

Personnel

With due regard of other national regulation, the executive board of a higher education institution determines and implements personnel policies (WHW, chapter 4 “Personnel”). The national representative organizations VSNU (university sector) and VH (UAS sector) act as employers’ organizations and negotiate with the labor unions on the working conditions of university and UAS staff. These working conditions are laid down in a collective employment agreement, which is binding for the institutions. Within this national frame, the executive boards and locally organized unions can further decide on tailor-made working conditions. Staff salaries are set at the national level and are based on staff position. For each staff position, there is a fixed scale with minimum and maximum salaries. The various staff positions of universities are described in a national system, the so-called University Function Ordering system (UFO), in which job descriptions are linked to salary scales. The UAS has a similar type of national system to describe and reward jobs, the so-called FUWA-HBO or HAY system.

The total number of staff members in the university sector is about 42,000 FTE (2015, excluding staff members from medical faculties). The two main staff categories are nonacademic (42% in 2015) and academic personnel (58%). The latter is subdivided into professors (6.3% of total number of university staff in 2015), associate professors (UHD; 5.1%), assistant professors (UD; 11.2%), other academic staff (16%), and PhD

candidates (19.6%). The percentage of women has increased over the last 5 years, but women are still underrepresented (see Fig. 4). In 2015, the student/academic staff ratio in the university sector is about 10.3 : 1 (Onderwijs in Cijfers 2015). During the last decade, the percentage of non-Dutch academic staff members has grown in each staff category.

Degree and Program Structure and Access

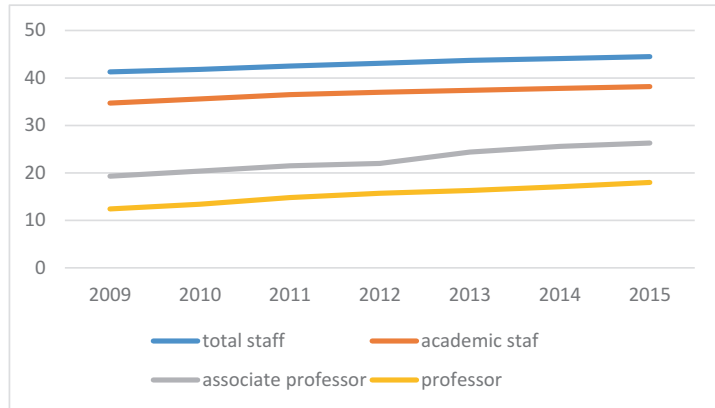
The Dutch universities and UAS offer a wide range of publicly funded study programs leading to different types of degrees. Universities offer 3-year Bachelor programs, 1- or 2-year Master programs, 2-year Professional Doctorates in Engineering programs (at the three technological universities), and 4-year PhD programs. UAS offer 2-year Associate Degree (AD) programs, 4-year Bachelor programs, and 1- or 2-year Master programs (professional master programs).

A study year consists of 60 ECTS credits. Instruction and teaching methods vary across programs. The vast majority of programs are “regular” Bachelor and Master programs with vocational- or discipline-based academic curricula. Next to these programs, seven universities have “university colleges,” offering English-taught Liberal Arts and Sciences programs. These 3-year Bachelor programs are different in terms of orientation (broad programs combining humanities, social sciences, and sciences), tuition fees (double the regular fee in most cases), access (students are selected by the university), and housing (residential, at least for some time). Moreover, almost all universities and UAS offer excellence (or honors) programs. These are special tracks within the regular Bachelor and Master programs for gifted students to broaden and deepen their knowledge and skills.

In principle, Dutch higher education has an open access policy. With the proper qualifications from upper secondary school, students are eligible for higher education programs. There are however many exceptions to this principle. First, a “proper” qualification means, for instance, that

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Fig. 4 Percentage of women in the university sector (2009–2015)
(Source: VSNU WOPI, http://www.vsnunl/en_GB/f_c_personnel.html)



for enrollment in particular, higher education programs students must have taken particular subjects. Second, a significant number of higher education programs have a capped number of study places (*numerus clausus*). The minister determines for which programs enrollment numbers will be fixed. The main reasons for doing so are based on labor market considerations, costs of study programs or (limited) capacity and facilities higher education institutions have with respect to some programs. In the latter case, institutions ask the minister to determine the maximum number of study places.

Quality Assurance

Education

The institutions are obliged to have an internal and external quality assurance system, which frequently assesses the quality of programs and courses, by independent experts as well as by students. The Accreditation Organization of the Netherlands and Flanders (Dutch acronym NVAO), an independent agency established by the Dutch and Flemish government in 2005, assesses the quality of institutional quality assurance policies and systems. Its main tasks are to accredit new and existing programs and to implement institutional audits.

Prior to a first-time program accreditation, a positive decision by the minister is required. A special ministerial committee on macro

efficiency of higher education advises the minister on the matter.

An independent panel (the institutions may propose its composition, taking into account rules set by the NVAO) conducts the program assessments. Its judgment is based on information provided by the institution and on a site visit. Based on the panel's report, the board of an institution applies to the NVAO for accreditation. The NVAO then decides to accredit the program, to accredit under conditions (improvement period) or not to accredit the program.

An institution can apply, and pays, for an institutional quality assurance assessment. In such an audit, the NVAO will assess the institution's vision on educational quality, its design and effectiveness of the internal quality assurance approach, its personnel policies, and its facilities for disabled students. The consequence of a positive audit is that the program accreditation will be "light touch" (reducing the administrative burden attached to program accreditation).

Research

Since the 1990s, the Standard Evaluation Protocol (SEP) has been used to assess the quality and relevance of university research. An external review committee will evaluate university research units once every 6 years. The executive board of an institution decides which research units will be assessed. In the assessment three standards are being applied: research quality (including its contribution to scientific knowledge, productivity, and outputs), relevance to

society (impact of scientific contributions to various target groups), and viability (research strategy, future goals, and feasibility of achieving such goals, including research leadership and management).

As a first step, a research unit writes a self-evaluation report. Then, the review committee will visit the research unit. Based on the self-evaluation report and the site visit, the review committee reports on the performance. The institution decides how a research unit will address the assessment and recommendations of the peer review committee. The results of the review are made public.

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