

University autonomy in Europe

Thomas Estermann and Monika Steinel, European University Association

Many governments, the university sector and the European Commission have all recognised that increasing university autonomy represents a crucial step towards modernising higher education in the 21st century. However, the study “University Autonomy in Europe I”, conducted by the European University Association in 2009, highlights that, in practice, public authorities still play too central a role in the regulation of higher education systems. Despite the fact that public authorities in a number of European countries have moved away from direct state control towards more “indirect” steering mechanisms, universities often continue to lack autonomy in many crucial areas, particularly in terms of managing their finances. The paper analyses each dimension of university autonomy and ends with some key recommendations in order to enable institutions to make full use of their potential.

1 Introduction

EUA’s study “University Autonomy in Europe I” compared thirty-four European countries and analysed more than thirty different indicators in four key areas of autonomy. These included organisational autonomy (covering academic and administrative structures, leadership and governance), academic autonomy (including study fields, student numbers, student selection as well as the structure and content of degrees), financial autonomy (covering the ability to raise funds, own buildings and borrow money) and staffing autonomy (including the ability to recruit independently, promote and develop academic and non-academic staff).

EUA’s latest project, the “Autonomy Scorecard”, will provide further up-to-date information by the end of 2011 on the state of university autonomy in Europe. A core set of autonomy indicators will be developed to offer an institutional perspective on institutional freedom and thus enable a more successful benchmarking of national policies with regards to university autonomy.

2 Terminology

Perceptions and terminologies of institutional autonomy vary greatly across Europe, and separating the various components of autonomy to ensure that we are looking at like-for-like is a difficult process. There is a vast amount of literature on the topic, which has led to a wide range of definitions and concepts of university autonomy (see for example Clark (1998), Sporn (2001), Salmi (2007), Huisman (2007)).

As the study points out, the rules and conditions under which Europe's universities operate are characterised by a high degree of diversity. This variety reflects the multiple approaches to the ongoing search for a balance between autonomy and accountability in response to the demands of society and the changing understanding of public responsibility for higher education. Indeed, the relationship between the state and higher education institutions can take a variety of forms, and it should be stressed that an "ideal" or "one-size-fits-all" model does not exist. In this article therefore, "institutional autonomy" refers to the constantly changing relations between the state and universities and the differing degree of control exerted by public authorities, which are dependent on particular national contexts and circumstances.

3 Why do universities need autonomy?

There is broad agreement between stakeholders that institutional autonomy is important for modern universities. While this notion has been empirically substantiated in various studies, it should also be noted that autonomy alone is rarely enough. Though institutional autonomy is a crucial precondition that enables universities to achieve their missions in the best possible way, other elements are equally necessary to ensure real success.

The relationship between university autonomy and performance has been widely discussed. For example, in their contribution "Higher Aspirations: an Agenda for Reforming European Universities", Aghion et al. analyse the correlation between performance in rankings, the status of autonomy and levels of public funding. They found *"that universities in high-performing countries typically enjoy some degree of autonomy, whether in hiring or in wage setting"* and that *"the level of budgetary autonomy and research are positively correlated"* (Aghion et al. 2008: 5).

In addition, autonomy helps to improve quality standards. EUA's Trends IV study found that *"there is clear evidence that success in improving quality within institutions is directly correlated with the degree of institutional autonomy"* (Reichert & Tauch 2005: 7). This correlation was recently confirmed by EUA's Trends 2010 study (Surssock & Smidt 2010).

Third, there is a link between autonomy and universities' capacity to attract additional funding. The recent EUA study "Financially Sustainable Universities II: European universities diversifying income streams" found that a university's ability to generate additional income relates to the degree of institutional autonomy granted by the regulatory framework in which it operates. This link was established for all dimensions of autonomy, including organisational, financial, staffing and academic autonomy. The data revealed that financial autonomy is most closely correlated with universities' capacity to attract income from additional funding sources. Staffing autonomy, and particularly the freedom to recruit and set salary levels for academic and administrative

staff, were also found to be positively linked to the degree of income diversification (Estermann & Bennetot Pruvot 2011). Finally, by mitigating the risks associated with an overdependence on any one particular funder, a diversified income structure may, in turn, contribute to the further enhancement of institutional autonomy.

It should be noted that policy-makers tend to regard autonomy reforms as an important driver of university modernisation. And higher education institutions, too, consider the further improvement of university autonomy as a priority. According to EUA's Trends 2010 report, 43 per cent of university respondents viewed autonomy reform as one of the most important institutional developments in the past decade (Surssock & Smidt 2010: 18).

4 Trends in the different autonomy dimensions

Although stakeholders broadly agree on the importance of university autonomy, success in implementing the necessary reforms has varied considerably across Europe. The following provides a general overview of the main trends in the four areas of university autonomy.

Organisational autonomy

Although higher education institutions in Europe almost invariably operate in the context of an external regulatory framework, the extent and detail of these regulations vary significantly where universities' organisational autonomy is concerned. In the majority of countries, institutions are relatively free to decide on their administrative structures. Their capacity to shape their internal academic structures within this legal framework is already more restricted.

In addition, there is a trend towards the inclusion of external members in the institutional decision-making processes, especially where universities have dual governance structures. While this is seen as an important accountability measure, it also clearly serves other, more strategic, purposes. Indeed, external members in university governing bodies are frequently selected to foster links with industry and other sectors.

As far as leadership is concerned, the shift towards CEO-type rectors in a number of Western European countries goes hand in hand with greater autonomy in management and the capacity to design their organisational structures. On the other hand, a significant number of more traditional models exist, in which the rector is a "primus inter pares" who is selected by and from among the internal academic community.

Finally, dual governance structures – with some type of division of power between bodies, and usually comprising a board or council and a senate – as opposed to unitary structures, are on the rise.

Financial autonomy

In a majority of countries, universities receive their funding in the form of block grants. In some systems, line-item budgets are still used, and institutions are thus unable to shift funds between budget lines. This is mainly the case in certain Eastern European and Eastern Mediterranean countries. In a small number of cases, even self-generated revenue is strictly regulated.

While universities in most systems are allowed to borrow money, laws specify certain restrictions, especially in Northern Europe: they may prescribe the maximum available amount or require the authorisation by an external authority.

Only in half of the surveyed countries are universities able to own their buildings. Even those who do own their facilities are not automatically able to decide on investing their real estate, nor are they necessarily free to sell their assets. Restrictions range from dependence on the approval by an external authority to complete inability to sell.

In many European systems, universities can collect tuition fees or administrative charges from at least a part of the student population. Nevertheless, this does not mean that these fees reflect a significant contribution to the costs of education or an important form of income. In most cases, additional limitations are placed on the ability of universities to set fees as a means of generating income.

When combining all aspects of financial autonomy, Western European countries seem to benefit from greater freedom than their Eastern European counterparts. In general, universities in Western Europe are more autonomous in how they use the public funding they receive, but less so with regards to raising tuition fees. Eastern European countries tend to be less autonomous in the use of their public budgets, but are often able to decide on privately-funded study places and use the fees the latter generate. The most obvious examples are Latvia and Serbia, where universities receive line-item budgets, but may freely set tuition fees.

Staffing autonomy

In some countries, universities are gaining greater flexibility in dealing with staffing issues, as staff is being paid and/or employed directly by the university rather than by the government. However, the decisions on individual salaries are still to a large degree controlled by the government. In almost half of the countries studied, all or a majority of staff has civil servant status, which underlines the sustained need for more flexible forms of employment for university staff.

The analysis also shows that there are significant differences in the recruitment of staff, ranging from a considerable degree of freedom to formalised procedures that

entail an external approval, sometimes by the country's highest authorities. Although this may be a formality in some cases, it nevertheless impacts on the length of the recruitment procedure and therefore on the ability to act quickly in a competitive and increasingly international recruitment environment. Some Mediterranean countries have very little freedom with regards to staffing matters, as they are unable to determine the number of staff they recruit and hence lack control over overall salary costs. Even individual salary levels are determined by national authorities.

Academic autonomy

In a majority of European countries, universities are essentially free to develop their academic profile, although restrictions remain in other areas of academic autonomy. The introduction of new programmes usually requires some form of approval by the relevant ministry or by another public authority and is often tied to budget negotiations, which demonstrates the interdependence of different dimensions of autonomy. Universities are generally free to close programmes independently; only in a small number of systems does this matter have to be negotiated with the pertinent ministry.

In most countries, admission to higher education institutions tends to be free for all students that meet the basic entry level requirements (usually a secondary education qualification and/or a national matriculation exam). Only in a minority of countries are universities free to decide on the overall number of students. In most cases, overall numbers are either determined by the relevant public authorities or decided jointly by the public authority and the university. In a third of the countries analysed, universities can freely decide on the number of study places per discipline. However, the allocation in some fields may be subject to negotiations with an external authority, or set within the accreditation procedure.

5 What else is needed to increase and exploit autonomy?

Although the institutional freedom of European universities has generally increased, a number of countries still grant their higher education institutions too little autonomy and thereby limit their performance.

The impact of the financial crisis has been profound: in some cases, previously granted autonomy has been reduced. In a number of systems, national governments have once again resorted to more direct steering mechanisms, while tighter public budgets have produced heavier reporting procedures. Public authorities need to find ways of steering universities through performance and incentive mechanisms, rather than through excessively burdensome and unsuitable reporting requirements. In some countries, short-term reactions to the crisis have also translated into drastic public funding cuts, putting strong pressure on universities. Although institutional autonomy

is crucial, its full benefits cannot be reaped without a firm commitment to stable and sufficient university funding.

There also remains a frequent gap between formal autonomy – autonomy “on paper” – and a university’s actual ability to act independently. As mentioned before, significant increases in accountability measures have frequently curtailed university autonomy, highlighting the importance of striking a balance between institutional freedom and adequate accountability tools.

It is particularly important to underline the strong interrelations between different autonomy areas: if universities are constrained in their financial freedom of action, other dimensions of autonomy, such as organisational, staffing and academic autonomy, may be severely limited by implication. Autonomy reforms should adopt a holistic approach, taking account of all dimensions of institutional autonomy.

Finally, reforms in the field of governance and autonomy will not be successful unless they are accompanied by measures to develop institutional capacities and human resources. The need for efficient and effective management and leadership and for new technical and specialist expertise in a variety of areas must be addressed if universities are to respond to the new demands placed on them. Crucially, this issue needs to be dealt with jointly, both by universities and the relevant public authorities.

Contact:

thomas.ester mann@eua.be and monika.stein el@eua.be

Thomas Ester mann is Head of the Unit Governance, Autonomy and Funding with responsibilities for EUA’s work aimed at strengthening universities autonomy, governance, management and their financial sustainability. He is developing EUA’s policy on higher education finance and autonomy and has published on both topics (“Financially sustainable universities II: European universities diversifying income sources”, 2011; University Autonomy in Europe I: Exploratory Study”, 2009; “Financially sustainable universities: towards full costing in European universities”, 2008).

Monika Stein el is Project Officer at the European University Association. She is in charge of EUA’s Autonomy Scorecard project, which aims to map and compare university autonomy and accountability in Europe’s higher education systems. Prior to working at EUA, Monika Stein el was involved in university management at University College London for several years.