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THE CHALLENGES OF GOVERNING INCREASINGLY DIVERSE HIGHER EDUCATION SYSTEMS - IMPLICATIONS FOR INSTITUTIONAL STRATEGIES

A system in change

The Norwegian system of higher education has undergone many reforms in recent decades. A major structural reform of the state university college sector in 1994 formed the basis of the binary system that we have today.

Prior to 1994 Norway had a distinctly two-tiered system with a university sector and a university college sector. The university sector was governed by a specific legislative act, while the activities of the university college sector were subject to a number of different laws and regulations. Private institutions were governed by a separate legislative act. The university sector consisted of four classic, broad-based universities and six specialised universities. The institutions in this category enjoyed great academic autonomy and managed their own educational and research activities. All these institutions were research institutions with doctoral degree programmes. The university college sector was far more differentiated and was controlled to a much larger extent by the ministry. The research activity varied widely, from no activity at all to a relatively large amount, and there were many small institutions with weak academic traditions.

The minister at the time believed that the university college sector was too fragmented, and that the institutions were too weak from an academic perspective to meet future challenges. He therefore carried out a managed merger in which 98 quite different university colleges were merged into 26 new university colleges. Geographic considerations took precedence in this process, and in principle each county got its own university college. The new university colleges were comprised of previous professional colleges as well as the type of college that had been established in the 1970s which had a relatively strong research tradition. Consequently, research was a key component of the mandate for the new university colleges. These institutions had particularly strong research communities in the social sciences and humanities, although some institutions had also developed strong communities in technical and natural science fields.

One motivation for the reform in 1994 was to make the binary system more distinctive and robust. The reform aimed to strengthen the new university colleges and give them a higher profile, but they were also supposed to be clearly distinct from the universities. The minister was aware that certain university colleges had plans to become accredited as universities, but he made it clear in connection with the reform that no new universities would be established. Norway did not have the capacity to operate more than the four broad-based universities we already had. In the years following the 1994 reform, we had a situation in which the official policy said “no new universities”, but several institutions in the sector continued their efforts to obtain university status, official policy notwithstanding. These institutions were supported by regional politicians, and trade and industry. As a result, a conflict arose between Government policy and regional interests. And it was the regional interests that won out. Step by step, changes were made in the framework conditions for higher education, which reduced the differences between university colleges and universities and which paved the way for the

university college sector to pursue their goal of achieving university status. With this as background, I want to point out some of these changes.

In 1996 the state university colleges were permitted to use the title of professor and therefore had the same structure for job positions as the universities.

In 1996 all the state institutions of higher education were joined under one common legislative act. The minister's thinking was that the entire sector should be gathered into what he called a national network of higher education, in which the institutions would have different tasks – the universities with one specific set of tasks and the university colleges with another. In this way the sector could be governed by the ministry on the basis of a cohesive perspective on Norwegian research and higher education and according to the specific roles that the university colleges and universities should play in society. The new act of 1996 was based on a division of responsibility between the university colleges and universities in which the university colleges would offer education at the bachelor degree level and the universities would have a special responsibility for researcher education. However, the act also left open the possibility for university colleges to offer master's and doctoral degree education. One crucial change resulting from the new act was that the Humboldtian principle that higher education institutions should offer research-based education would apply to all institutions covered by the act. At the same time, the importance of experiential knowledge in higher education was also emphasised. There is no doubt that these provisions have helped to raise the level of academic quality at the university colleges.

The next step in this development occurred in 1998 when the new minister introduced a pilot project to offer master's degree programmes at the university colleges. The pilot project was a first step toward granting the university colleges the right to offer education at the master's level on the basis of an application process. Even more importantly, that same year the minister granted three university colleges the right to confer doctoral degrees following an accreditation process. When this decision had been taken, many people in the sector said that the difference between universities and university colleges had been eliminated, and many in the university sector were critical of this change as well. The university rectors also viewed this development with scepticism, but gradually these attitudes changed and the situation was accepted, although reluctantly. Many recognised, for example, that the need for research within professional education programmes could justify the change.

New government reports laid the foundation for a reform that became effective as from August 2002. The reform went by the ambitious title of the Quality Reform. This reform introduced a common degree structure for all higher education institutions in keeping with the recommendations of the Bologna process that called for three cycles, credits based on the ECTS model, the establishment of a national quality assurance body, and common regulations for most areas. A new, common legislative act for all higher education institutions, both public and private, was also adopted in 2005 as part of the reform. The Quality Reform involves substantial changes in governance, leadership and funding of higher education, changes in keeping with general trends in the public sector, and the movement known as New Public Management. Key concepts in this context include the delegation of responsibility and greater autonomy, strengthening of leadership, external board members, downscaling of collegial governance schemes, changed information flows, and changes in funding (net budgeting).

This was the Norwegian form of the Bologna process, but the Norwegian reform contains several components in addition to the Bologna process. Some important factors can be mentioned here with regard to the new act.

The new act strengthens the autonomy of the institutions. They have full control over budget allocations and decide which job positions and educational programmes will be prioritised. The institutions themselves approve the establishment and dissolution of educational programmes that they are accredited for. The responsibility of the leadership at the institutions has increased, and the strategic responsibility of the boards has been emphasised. The ministry and politicians use every opportunity to underscore the need for stronger institutional leadership.

Governance and leadership models have therefore been placed high on the agenda in connection with the Quality Reform. The new act grants the institutions greater freedom of choice with regard to governance and leadership models. At the institutional level, the institutions can choose either to elect or appoint the rector. When the institution elects the rector, the rector also serves as the board chairman. When the institution appoints the rector, an external board member serves as board chairman. Under this model the ministry appoints the board chairman. The institutions are allowed to submit proposals for external board members and the board chairman, but the ministry makes its appointments independently.

The institutions are responsible for determining the internal organisation at the faculty and department level. Since the new act was adopted, the trend has shown that the majority of the institutions choose to appoint their faculty and department heads rather than holding onto the model of elected leadership, whereas only a few institutions so far have chosen to appoint the rector. The administrations at the institutions have gained greater autonomy as well.

The new act stipulates that Norway is to have a legally established quality assurance body for higher education that has responsibility for accreditation of study programmes and institutions and that will conduct evaluations for the purposes of monitoring and enhancing quality within higher education.

The act defines three institutional categories and stipulates that the national quality assurance body will decide which category an institution belongs to. The ministry has issued detailed guidelines for accreditation to the three categories. In principle, therefore, this act allows institutions to change categories. The most important consequence of this is that university colleges can be accredited as universities. Since the act was adopted, two university colleges and one specialised university have attained university status. It is not clear how many more will become universities in the coming years, but based on the criteria laid down in the act, there will not be many more in the near future. It is also possible to switch from the category of university college to specialised university. To date one institution has applied for this type of change, but the status has not yet been approved. One private university college has been accredited as a specialised university.

The new act has been designed to accommodate a system undergoing change, and there is no doubt that the fact that the act allows for a change of categories has been a motivating force for many institutions with ambitions of attaining university status. The ministry has emphasised that any advancement in status will not result in changes in funding from the state, and experience thus far shows that the ministry is not deviating from its position. For the new universities, this is creating a financial problem.

The former minister – he was replaced last week – was concerned about this development. Among other things, he was concerned the institutions will become more uniform if university status becomes a goal for all university colleges. He therefore appointed a new government commission to examine the structure of higher education in Norway in a 10-15 year perspective. The issue regarding the conditions for becoming a university will then once again be a topic of discussion when the commission presents its report in January.

Consequences for public governance of the institutions

The increased autonomy has presented the ministry with new challenges in terms of governing the institutions. While in the past institutions were governed through detailed monitoring of input factors, today the focus is on the monitoring of results. This is done in different ways, including through annual meetings between the institutional leadership and the ministry, through seminars for the boards of the institutions, and of course, through budget allocations. One factor that creates a good deal of frustration is the ever-increasing requirements for reporting on a growing number of performance indicators.

Consequences for institutional strategies

What does the institution do then in this situation? I want to point out two tendencies. On the one hand, the more market-oriented thinking within higher education has intensified the competition among the institutions. More focus is placed on recruiting students, and an attempt is made to profile the institutions, in particular to gain an edge in the competition for resources for research. This would suggest that the institutions will become more dissimilar and thus lead to diversity. On the other hand, a performance-based budgeting model will lead to a situation in which the same incentives steer all the institutions' activities, and this will result in greater similarity and the opposite of diversity. Both within the sector and in the political sphere, many people are especially concerned that the chance to gain university status will mean that all institutions will move in the same direction and become copies of each other. They fear that this will happen at the expense of the important shorter professional education programmes that the university colleges have traditionally been responsible for. If one looks at the university colleges that have attained university status, there is little reason to believe that the institutions will become too alike. The new universities are different from the long-standing, broad-based universities, and they have helped to make the university category more diverse than before.

Seen from my position as vice-president and president of UHR over the past seven years, this trend has not weakened the universities. On the contrary, the more intense competitive situation has fostered strong development and necessary reforms at the original universities. These reforms have generated debate and disagreement, and they have created new challenges. Especially important now is how the educational reforms are affecting research activity.

Although the system of higher education is undergoing change, most of the institutions still work within the binary model and the institutional category that they belong to. Although the new act gives institutions great leeway in their academic activities, most institutions are mainly concerned with developing their academic profile and quality. Today there are small, formal obstacles to co-operation between universities and university colleges, and many have joined together in regional networks. The EUA states in its strategy documents that it will

work to achieve diversity among the institutions and encourage the institutions to develop distinctive academic profiles which address the specific social responsibilities of each institution. To me it seems to be a paradox, then, that the EUA has established such narrow parameters for which types of institutions can become members, and for this reason I support a change in the membership criteria. In Norway we still have a binary system, but this two-part division does not give an adequate picture of the institutional structure because the traditional distinction between university and university college is becoming increasingly blurred.

In Norway, then, we have a situation today in which the development of the institutional structure is determined by decisions taken at the institutional level, not by ministerial decisions as the minister had envisioned in 1994. Now we are waiting in anticipation to see whether the new commission, which will submit its report early next year, will recommend stronger central governance. The question is whether it is possible to reverse the trend toward greater institutional autonomy that we have seen in recent years.

The sector's organisation

The change in the framework conditions for higher education in Norway has also had consequences for the organisation of the institutions. The universities founded a rectors' conference in 1958. After awhile the specialised universities also joined this rectors' conference. In 1994-95 the university colleges founded their own rectors' conference. These two associations established a good dialogue, and in some cases co-operated on efforts to gain political support for their positions, but for the most part the associations carried out parallel efforts and observed at each other's general assemblies board meetings. In some cases they fought for opposing viewpoints. As the framework conditions for the institutions became more and more alike, the question of merging the conferences was placed on the agenda. In connection with the political process leading to the large-scale Quality Reform, which was the Norwegian version of the Bologna process, the interests shared by the two sectors became increasingly apparent. In 2000 the two rectors' conferences were merged, and the Norwegian Association of Higher Education Institutions (UHR) was founded.

The merger was an indication that the universities and university colleges believed that they would be better served by co-operating on issues of common interest rather than opposing each other as two competing sectors. There were nay-sayers in both sectors who warned that it would be difficult to safeguard the specific interests of the two institutional categories. This critique has diminished through the years, even though the challenges have been formidable. Today UHR has 41 member institutions which vary widely in terms of size. The University of Oslo has 30.000 students whereas the Sámi University College has 250 students, and each of the institutions has two votes in the general assembly. Experience has shown, however, that UHR has earned the respect and trust of those within the sector and externally within the political sphere. One crucial reason for this is that the organisation has given the board significant powers of authority and trust, and that the board so far has balanced the differing interests with wisdom and finesse.

The ministry and politicians have surely seen the advantage of having a representative body for higher education that they can talk to. We see that there is great respect for the views advanced by UHR and that our views are highly regarded in the political debate. The ministry and minister engage UHR as a dialogue partner in all major issues of importance that arise within higher education. It is almost unthinkable that the ministry today would implement

large-scale measures without first having clarified relevant matters with UHR. Seen from my position, this is a success story so far.

There are many reasons that UHR has earned such significant trust from within the sector. First, we have won support for our viewpoints on crucial issues. UHR was founded at a time when major changes were occurring within the sector. Thus, this was also a time with considerable opportunities to push through new political initiatives. I will mention three issues at this point. In connection with the implementation of the Quality Reform, (that is the Norwegian version of the Bologna process), the initial intention was that this reform would be implemented without any type of financial compensation. UHR argued vis-à-vis the ministry and the parliament that the reform would inflict substantial additional costs, which would require larger institutional budgets. After two years we won approval for additional allocations to cover the extra costs, which was completely in line with the cost estimates prepared by UHR.

In the ongoing debate about the Quality Reform, the governance and leadership models and the national quality assurance body also became important topics. In these areas as well, UHR won approval for positions that had large support within the sector. As we achieve widespread support on crucial issues, we earn the trust of those within the sector, and we are perceived in society at large as an objective, authoritative voice with strong arguments to put forward.

By the same token, I also want to point out that there are some major issues for which we have failed to gain support. This is true not least with regard to the funding issue, and we have been highly critical of the lack of political will to provide adequate funding to the universities and university colleges, especially for their research activities. The Norwegian Government has set high goals, but the sector is not satisfied with the Government's willingness to follow these up. On the other hand, UHR's voice has been so forceful on the issue of research funding that society at large and trade and industry are now actively putting pressure on the Government to increase funding for research.

Another reason that UHR has earned the trust of those within the sector is the efforts that have been made to co-ordinate and develop the educational programmes in the various professional and academic fields. In this context UHR organises a large number of national networks that serve today as vital arenas for academic development and co-ordination.

The third reason that UHR has earned the trust of those within the sector is the services we provide to the institutions in a number of areas such as leadership development and the co-ordination of shared interest in key administrative areas.

So far the development of a common organisation has been a positive one. Not many people want a return to a situation with two rectors' conferences. The challenge nevertheless remains to convince the member institutions that we are able to safeguard the interests of vastly different institutions, and that we also can cope and live with the circumstances when our members have different interests. Membership in UHR is voluntary, and the institutions must feel that it is beneficial to be a member, and that the entire sector is served by standing together in the pursuit of shared interests. This means, among other things, that in certain cases we must recognise that it is not UHR's role to take the initiative, but that the institutions must be allowed to stand up for their own varying interests. This strategy has been a successful one, for today all accredited institutions in Norway (accreditation is a requirement

of membership) are members of UHR, and we see that new institutions that receive accreditation express a strong desire to become members.

The statutes for UHR state that we are to focus our efforts both inward toward the institutions and outward toward society at large, and that we are to provide services to our members and act as a special interest organisation. Following the merger, it became obvious that the most important function of UHR is its external role as a special interest organisation. This is also the framework for our contact with the ministry, the parliament and the general public. We must forcefully assert our autonomy. We must not become an extension of public administration within the sector, but instead serve as the sector's clear voice vis-à-vis public administration, the Government, the parliament and other parties. This understanding of our role has been accepted by the ministry as well as the political sphere.