

# INSTITUTIONAL AUTONOMY –

Response to EUA report of 2009 by Öktem Vardar

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Autonomy will be analyzed under five headings in the following:

## 1. Changing conditions surrounding universities and expectations from the universities:

1. There is a shift from “elite” to “mass” Higher Education (HE) system: massification; governments have accepted that HE is a major driver of the global knowledge based economy and that human resources quality is a major source of global economic competitiveness. (This shift is more due to social demand in Turkey; but it is there!)
2. Quality enhancement is high on the agenda, i.e. massification is to be achieved without any dilution of quality.
3. Public financing of HE is decreasing as other priorities such as health, welfare, schools, and security gain the upper hand. Many countries shift the burden of financing HE from the taxpayer to the student.

One can add to this list of public policies other forces of change... globalization, demographics, sustainability (depletion of resources), importance of technology, etc... The idea is that these changes created a whole new set of expectations from the universities. Expectations are not limited to just teaching and research! LLL, knowledge transfer, local and regional economic development, social inclusion (widening access), citizenship training etc. are other areas to cover. This is too diverse a list to confront by each and every university. Universities must identify their areas of comparative advantage and focus on them. **This level of diversity, complexity and competition can only be met with sufficient autonomy. It is impossible to develop a more flexible, dynamic and entrepreneurial HE sector while universities are treated as children in need of protection.** Societies and governments must decide what they want: able, sophisticated players, learning how to fight the challenges of the real world, maximizing the full range of global opportunities or protected, guided institutions caring for the present only, without any ambitions for the future.

Some people talk about “paradigm breaker universities”. Not with the European level of autonomy described in the EUA report...

## 2. Autonomy is also defined as “the absence of dependence upon a single or narrow base of support” [Babbidge & Rosenzweig, 1962].

EUA report touches lightly on this – leaving it to EUDIS project – and focuses more on public funding details – budget type, audit, surplus, etc. I would like to emphasize the **diversified funding base** universities need to develop today. Discretionary funding becomes essential to realize strategic goals. Talking about entrepreneurial universities, Burton Clark says *“They set out to construct a widening and deepening portfolio of third-stream income sources that stretch from industrial firms, local governments, and philanthropic-foundations, to royalty income from intellectual property, earned income*

*from campus services, student fees, and alumni fundraising. Third-stream sources represent true financial diversification. They are especially valuable in providing discretionary money, beyond overhead charges and top-sliced sums extracted from research grants.”* The level of autonomy universities need is the type described above.

Many countries transformed already their funding mechanism for HEI's by introducing lump-sum or global budgets, output-based criteria in the allocation process, installing further competition through project based or program-based funding for research, introducing private funding through tuition fees. This transformation is coincident, keep in mind, with increased capacity for internal governance. University leaders have been encouraged to become managers and to develop strategic management for their organizations. By linking institutional behavior to internal strengths and weaknesses they can consider innovative, alternative sources of funding and modes of delivery and thus improve their relative independence.

### **3. Interrelation between autonomy and diversity.**

When we talk of diversity, we recognize different types HEI's with respect to: highest degree; subject mix; size; international orientation; orientation to cross-border education; research intensity; innovation intensity; mode of delivery; regional engagement; public/private character; etc. Governments need to enhance differentiation/ diversification to meet both student and labor market needs. It is a critical step in creating a responsive, innovative HE sector. This is an absolute requirement in Turkey, e.g., where all public universities have been developed as though they were to become research universities – in spite of the fact that the size of graduate education is small and the level of research activities is very low. This pretence and lack of mission differentiation does not help Turkish HE!!

Instead of ordering from above, diversification should be the outcome of an institutional preference and strategy. But if the autonomy is limited it is futile to expect institutions to develop institutional missions, strategies and move along such pathways.

In most European countries mission differentiation is weak; HE is over-regulated, but under-planned. There is insufficient strategic planning capacity to steer the HEI's in response to market forces/ academic tendencies/ state intervention.

There is hostility to the notion of “teaching only” in Europe! HEI's need to be given incentives to excel in their non-research choice of mission focus. Knowledge transfer has been embraced rarely as a mission focus.

Institutions mimic each other or move towards activities of largest prestige. This is dramatic in cultures where individualism is low / uncertainty avoidance is high (per Geert Hofstede). Autonomy should be such that it creates a driving force towards diversity.

Diversity in the HE sector will in turn allow defining different dimensions/ levels/ types of autonomy in different institutions which implies finer tuning, instead of imposing simplistic solutions in a centralized way. (Centralized solutions usually address to worst case, hence bringing all together at the lowest denominator.)

Combined with the trends towards increasing institutional autonomy and diversity, many actors are expecting an increase in **vertical differentiation** with respect to quality and reputation. This expectation and the trends and policies in favor of autonomy and diversity, have prompted initiatives to introduce **rankings** ...

#### 4. **Autonomy and accountability are the two sides of the same coin.**

In exchange for greater autonomy, universities need to be accountable to their stakeholders – students, university staff, business community and the labor market, the general public and the government. All European universities have some form of audit, evaluation, quality assurance and reporting schemes. But most of it is directed to the government alone. If autonomy is not to be equated with laissez-faire, universities should demonstrate:

- a) Internal accountability of the senior decision makers **within the institution** which will require “good management” and “collegiality”.
- b) Institutional accountability for the university as an operating unit – **to the external stakeholders** – boards, councils, trustees, advisory panels, etc.
- c) National accountability **to the State** – not only for the proper use of inputs but also for the results/ outputs that they achieve with those inputs.

EUA report clearly indicates that institutional autonomy is very restricted in Turkish HE system; it fails to point out that accountability is also weak!!

An appropriate balance needs to be struck between securing the public interest on the one hand and encouraging institutional autonomy on the other. This implies allowing greater autonomy to institutions that have demonstrated their capacity to govern their own affairs effectively.

(Governments are usually afraid of granting more autonomy because checks and balances are missing. They are afraid that things will go out of control. Thus as governments should work on increasing autonomy, universities should work on how to improve accountability – devising mechanisms and processes to convince governments that things will not go out of control when more autonomy is given... that they meet “the standards” and even have built-in enhancement procedures...)

#### 5. **Autonomy in the context of Turkish HE system**

The EUA report rightfully points out that the level of autonomy is pretty low in Turkey. The OECD study of 2003 had also a similar conclusion. Certainly all the arguments I have presented so far are equally valid for Turkey:

- The call for autonomy to compete and to innovate;
- The need for diversity in HE; diversified funding base;
- The call for accountability...

But the general picture in Turkey is more dramatic - than those calls describe. HEI's are in need of minor, daily, operational, simple institutional freedoms immediately, before more sophisticated, difficult, maybe debatable steps of autonomy are attempted. That is, before autonomy related to ownership or sales of real estates, or operations on financial markets or setting salary or tuition levels, Turkish HEI's need the removal of the straight jacket imposed through countless academic and financial regulations which hardly bring any improvement to the system : just to name a few, consider

- transfer regulation of students from one program to another; or
- rules for students nearing or exceeding the max duration of study and the accompanying amnesty legislations; or
- regulations pertaining to double major programs;

- rigid staff selection rules for junior academic staff, even for foundation (private) universities....

**Not only the level of autonomy is low, but the trend is not towards increasing this low level.** It is a pity that the big picture – autonomous and accountable HE system – is missed as minor issues are tackled.