THE STATE OF CHANGE

ANALYSING POLICY CHANGE IN DUTCH AND ENGLISH HIGHER EDUCATION

ISBN 90-365-2018-5

Cover design: Lucy Keizer, Communication Department, University of Twente, the Netherlands
Image on cover: Alberto Giacometti, Striding Man
Printed by UNITISK, Czech Republic
Published by CHEPS/UT, P.O. Box 217, 7500 AE Enschede, NL, secr@cheps.utwente.nl

THE STATE OF CHANGE

ANALYSING POLICY CHANGE IN DUTCH AND ENGLISH HIGHER EDUCATION

PROEFSCHRIFT

ter verkrijging van
de graad van doctor aan de Universiteit Twente,
op gezag van de rector magnificus,
prof.dr. F.A. van Vught,
volgens besluit van het College voor Promoties
in het openbaar te verdedigen op
vrijdag 19 maart 2004 om 16.45 uur

door

Henderikus Christiaan Theisens
geboren op 24 december 1973
te Winsum (Gr.)

Dit proefschrift is goedgekeurd door de promotoren:

Prof. dr. R.J. van der Veen
Prof. dr. J. Enders

en de assistent promotor:

Dr. J. Huisman

Voor mijn ouders

Preface

The road goes ever on and on
Down from the door where it began.
Now far ahead the road has gone,
And I must follow, if I can,
Pursuing it with eager feet,
Until it joins some larger way
Where many paths and errands meet.
And wither then? I cannot say.
J.R.R. Tolkien

The road of a Ph.D. is a wonderful footpath, full of beautiful vistas, small but pretty souvenirs and many interesting fellow travellers. As in all wanderings there are some wrong turns, an occasional thunderstorm and of course weary feet. Yet, I can think of no better or more satisfying road than the one I took five years ago.

Luckily, I did not wander alone these years. I could have chosen no better place than CHEPS to do my Ph.D. A highly social team of soloists, a great place to work and a great group to party with. An organisation that was very generous in providing the kind of learning experiences I was looking for *apart* from doing a Ph.D. like studying for a Master's at LSE or engaging in CHEPS training seminars in Central and Eastern Europe.

Talking to local people when being on a journey is always enriching, in the case of my Ph.D. it was essential. I would like to thank all the respondents with whom I had interviews for their time, energy and often enthusiasm.
Travellers in foreign countries should thank their guides for showing the wonders of their world, if not for preventing them from drowning in empirical swamps or falling down theoretical abysses. Jeroen, Romke and Jürgen, thanks for your wonderful guidance during the writing of this Ph.D. Jeroen, thanks for the many hours you spend reading and discussing my texts. Romke and Jürgen, thanks for your guidance on the main structure of this dissertation. It would be impossible not to mention Oscar here. In the first two years of my Ph.D. he was an inspiring intellectual and a very thorough commentator on the theoretical part of this thesis. His death will remain a tragedy, his life a very good memory.

Every traveller needs to rest and relax at some times, if not in a local inn, than in a friendly home. Jasmin, Eric, Marijk, Anne, Shirley and Sijas, thanks for all the good times, the many late nights, the many drinks and the even more plentiful discussions. Thanks also for keeping me off the street for the better part of two years by graciously offering me your roofs.

Although doing a Ph.D. is very satisfying, there are some disillusions as well. When I started five years ago I was in high hopes of finding deep insights, wishing with Faustian hubris:

> *Daß ich erkenne, was die Welt*
> *Im innersten zusammenhält,*
> *Schau alle Wirkenskraft und Samen,*
> *Und tu nicht mehr in Worten kramen*

The past five years have taught me some modesty concerning deep insights and the realisation that, at least in my case, research involves the production of many words, punctured by the occasional insight. Though there are already too many complaining Ph.D.s in the world, it is true that at times it is a pretty confronting type of journey. So much the better if you find that one person always travelling with you: Marloes, thank you for being with me, both in the best of times and in the worst of times.

Henno Theisens
Enschede, 16th February, 2004

Table of contents

Table of figures and tables

1. Introduction

May you live in interesting times!
Chinese curse

1.1. Interesting times for higher education

In many Western European countries, the 1980s provided interesting times for higher education. It was a period of change both inside and outside the higher education sector. Four different areas of change and their impact on higher education systems are discussed here. In short, the argument is the following. All developed countries have experienced substantial growth in terms of student numbers in their higher education systems. This implies that higher education budgets also increased; spending on higher education in absolute terms has grown throughout the 1980s and 1990s in all OECD countries. These two major developments, which by themselves made higher education a more salient topic on the political agenda, have collided with a third and fourth development. The third is a change in economic paradigms, that has led governments to realise that large state budgets and high taxation may cause economic problems. This realisation has led to a policy of cutbacks on state budgets, including the higher education budget. The fourth is the growing perception that higher education is important to realise economic objectives. These four developments have meant that higher education systems in most OECD countries are now facing the challenge of delivering more students, under increased pressure to do so cost efficiently and effectively (in terms of quality and economic relevance).

The above is explored in the first section of this chapter. It is argued that these developments presented both governments and higher education institutions with a new reality that they had to come to terms with in the 1980s and early-1990s. This argument forms the starting point of this study. The second section outlines the research objectives of the study. The chapter concludes with a number of research questions.

1.1.1. Massification and public spending on higher education

Arguably one of the most profound developments in higher education, at least in the developed world, is the steep growth in terms of student participation rates, a development that is often referred to with the American neologism 'massification' (Trow, 1974). The growth in student numbers occurred, at least in most Western European countries, during the late-1960s and continued until the early-1990s. In the OECD region gross enrolment ratios in tertiary education rose from about 25% in 1980 to slightly less than 50% in 1995 (World Bank, 2002). In Great Britain for example changes between the mid-1980s and mid-1990s occurred very quickly; the number of students from the age group between 18-22 that went into higher education rose from 19% in 1985 to 50% in 1995. In the Netherlands these percentages rose during the same period from 29% to 49% (Boezerooy, 1999).

While the massification of higher education systems is relatively easy to describe it is much more difficult to understand the driving factors and consequences. Literature on massification usually refers to a number of explanations for growth. Since the focus of this study is not the explanation of massification, these ideas are only briefly explored.

The most basic explanation for growth in student numbers is the rise in welfare. Higher education simply became attainable for larger groups as welfare rose and more families could afford to send their children to secondary and tertiary education. In short, from the 1960s onward there was more demand for higher education. This is not only a consequence of growing wealth, but also of the growing number of parents that had been able to enjoy more education then their parents and wanted the same for their children. Another factor was the growth of middle classes with more people seeking to improve their lives and that of their children through education (Kogan & Hanney, 2000).

At the same time there was pressure from different directions on the higher education system to increase enrolments. Governments increasingly saw the economic and social benefits of a highly educated work force. A logical consequence was the creation of more higher education institutions (the universities created in Britain in the 1960s, and, very importantly, the rapid expansion of institutions for higher professional education in the 1980s in both Britain and the Netherlands). These pressures were not just originating in the political system; they were also voiced by employers' organisations and various think-tanks in both countries.

Massification has had a crucial impact on at least two areas. Within the universities massification challenged the traditional values, norms and procedures of academic life. It has meant that higher education institutions, especially those that were not able to maintain

their elite status through selection, have been confronted with a growing and diversifying body of students. This has had an impact on the mode of teaching inside these higher education institutions. The growing scale of higher education institutions has resulted in new challenges for their management, although changes in management structures have come about very slowly (Trow, 1974; Scott, 1995).

Moreover, the growth in terms of student numbers was accompanied by a growth in government budgets for higher education. In Britain, expenditure on higher education rose by 45% between 1976 and 1997, though it fell by 40% if calculated per student during the same period (Dearing Report, 1997). One of the consequences of increased government spending was the increased wish of governments to oversee and, if necessary, to control whether the funding was spent efficiently and effectively (Scott, 1995).

1.1.2. From keynesianism to monetarism

The growth, both in terms of student numbers and higher education budgets, led to a greater salience of higher education on the political agenda. This salience was reinforced in the early-1980s when the aforementioned long-term developments, collided with the perceived need to cut public expenses. This perceived need, as expressed by the Thatcher government in Britain but also by the Lubbers governments in the Netherlands that both dominated much of the 1980s, was a consequence of real economic problems on the one hand and a changing perception on the economy on the other.

Economically, the period after the oil crises of the early-1970s was not simply characterised by a recession but also by the previously unheard of phenomena known as stagflation. Stagflation meant that the economy was simultaneously confronted with stagnation (and thus rising unemployment) and inflation. In practical terms this meant that high unemployment and lower levels of tax income put pressure on government budgets which, in the 1970s, led to mounting public debts. This created a puzzle for economic policy makers. The traditional keynesian way of dealing with unemployment is to increase state spending thus artificially creating demand which in turn creates more jobs and further stimulates demand and so forth. The combination of unemployment and rising inflation meant that increased state-spending increased inflation, which reduced the purchasing power of consumers, led to higher wage demands and thus higher levels of inflation and so forth.

The way out of this trap for different countries has been analysed brilliantly by Scharpf (1997). Part of the answer hinges on a new

paradigm for economic policy that came to the forefront. The 1970s (and the whole post-1930 period) were dominated by the keynesian paradigm in which the state was seen as an actor that could correct problems created by markets. From the late-1970s onwards the state or rather the size of the state budget was increasingly seen as one of the causes of the economic problems. High levels of government spending and taxation and high levels of public deficits were increasingly seen as hampering economic growth. This resulted both in the belief that government spending, taxation and public deficits should be reduced and in the belief that markets and not governments were the most efficient way of producing many things that were previously considered public goods (Hall, 1992, 1993). These two developments in economic thinking had their effects on the higher education system. In many countries it led to discussions regarding the amount of state subsidy, the way in which higher education was operating as a sector and the role of higher education in economic terms.

1.1.3. The economic role of higher education

Although growth in student numbers caused practical problems and growth in the higher education budget raised the issues of efficiency and effectiveness, growth in itself was seen as highly desirable by most states. As far as governments were concerned their advanced economies needed highly skilled and knowledgeable labour. This economic or societal role of higher education had long been taken for granted and had been stimulated by the experiences of the Second World War. The many useful inventions created during the war had shown governments that academics could make a contribution to a practical cause (Scott, 1995). However, the 1980s saw a new and more purposeful attempt to make higher education more relevant to economic objectives. Where in the past the autonomous academic education was perceived as creating the right kind of transferable skills, these perceptions were now changing. This was reflected in both pressure on universities to teach the right kind of skills, but also on the government stimulation of the higher professional education sector (Kogan & Hanney, 2000).

1.1.4. Consequences

The combination of the growth in student numbers, rising budgets, growing discussion about budget-cuts, efficiency and effectiveness, as well as the perception that higher education had a distinct role in realising economic objectives, made higher education more prominent on the political agenda (see for example Premfors, 1980). The previously

mentioned developments had a number of important consequences for the higher education system.

The effect of these developments was that higher education institutions had to deal with increasing numbers of students and decreasing amounts of funding per student. This led to questions of efficiency, size and organisational structure. But aside from the quantitative effects the higher education institutions had to deal with, there was another more qualitative issue. As previously discussed, the 1980s were characterised by a growing belief in the market as a system of co-ordination for what had previously been considered public goods. In general terms this led to a wave of privatisation and/ or the instalment of quasi-markets in many areas of society.

This study does not deal in-depth with the question of whether and to what extent the provision of higher education has become a market or quasi-market. Instead, it focuses on a number of effects that the growing belief in the market as a co-ordinating mechanism has had in terms of changes in higher education policies. There are two types of changes associated with this.

Firstly, there was a growth in the market-like incentives that higher education institutions were receiving from governments (Williams, 1997: Huisman & Theisens, 2001). In terms of funding models, many governments in western countries shifted to a system of lump-sum funding based on student numbers and institution graduates. These funding models meant the higher education institutions had more freedom to internally allocate their funds, but the incentive to educate students as efficiently as possible. The change also meant the higher education institutions had an incentive to compete with others for students and to create programmes that would attract students. These measures were combined with quality assurance or assessment systems to make the higher education institutions accountable for the quality of their teaching.

A second effect of this growing belief in market co-ordination, combined with the already existing idea that higher education should contribute to society and the economy, was an increased emphasis on higher education institutions being open and relevant to their environments. Many governments attempted to make societal relevance part of their quality systems. Moreover, many governments sought to open up higher education to the demands of their environment; this often was done through policies that stimulated higher education institutions to include relevant knowledge and skills in their curriculum and to include relevant external actors in their decision-making bodies.

Both the quantitative and qualitative effects have occurred to some extent in all western countries. These developments have been a

response to the similar problems higher education systems were facing in these countries. It is a matter of debate to what extent these developments have fundamentally changed the relationship between higher education institutions, the nation state and the nature of the higher education institutions themselves (Neave, 2001). Many, both inside and outside academia, feel that the nature of the higher education institutions and of academic work has changed. They argue that the institutions have become enterprises operating on knowledge markets (Leslie & Slaughter, 1997; Marginson, 2000) or that quality assessment and output steering have changed the nature of teaching and research in such a way that producing the right outcomes on performance indicators is more important than the academic quality of the work (Procee, 2001; Currie, 1998). Others however, argue that academics have been able to isolate themselves from the changes in their environment and continue their work along the lines of age-old academic traditions. One of the ways in which universities have been able to create that isolation has been described as the 'blistering organisation'. Universities respond to external demands by adding a loosely coupled organisation to their periphery (like a liaison office, an international office or a quality assurance office) while the (academic) core of the higher education institution remains unaltered (Enders, 2002).

1.2. Research objectives

1.2.1. Objectives of this study

The debate on the alleged changing nature of higher education is one of the starting points for this study. Unfortunately in this debate critical analysis and rhetoric are tightly interwoven. The first step should therefore be to provide a clear analysis of what has actually changed in terms of policies and activities of (and within) the higher education institutions. The first objective of this study is therefore modest but essential; it aims to chart the developments in the higher education system and institutions from 1980 to 1995.

Although many western European countries were facing similar problems and responded in similar ways, there are also differences. To explore these differences developments in the higher education system of two countries are charted: England and the Netherlands. The second aim of this study is comparative. Although England and the Netherlands are indeed similar in many ways, there are crucial differences as well. This study looks at the difference in developments in higher education in England and the Netherlands and aims to answer the question: 'what explains these differences?'

In answering this question, this study seeks to contribute to a longstanding debate in comparative politics. This debate revolves around Lijphart's classical work (1984, 1999) on two different types of democracies. These two types of democracies have a fundamentally different answer to the question: "Who will do the governing and to whose interests should the government be responsive when the people are in disagreement and have divergent preferences?" (Lijphart, 1984, p. 4) The first type known as the majoritarian democracy answers this question with: "[The] majority of the people." (ibid. p. 4) Contrariwise the second, the consensus democracy, answers: "As many people as possible." (ibid. p. 4) These differences lead to two types of democracies with profoundly different characteristics. Lijphart has constructed his types of democracies as ideal types, England and the Netherlands are good, albeit imperfect, representations of these two ideal types. One of the ensuing debates is what type of democracy is more effective in terms of designing, deciding and implementing policies. This study uses developments in higher education policy to establish the validity of claims made by proponents of either model.

The study does not simply apply Lijphart's model; it also, in chapter two, builds on this model. One of the weaknesses of Lijphart's work is its sole focus on the formal institutions of the state, neglecting to a large extent the importance of characteristics of policy sectors (Sartori, 1995; Halpern, 1986). In this respect, the higher education sector offers an interesting possibility to study the importance of these differences. Traditionally, higher education institutions in England and the Netherlands take two forms. First, there are the traditional universities with their combination of teaching and research. Second, there is a higher professional education sector that is primarily focused on teaching, is less academic and more oriented towards professions. Although the boundaries between the two sectors have become increasingly blurred (in England former polytechnics since 1992 carry the label 'university') they are still identifiably different. These differences between institutions within one policy sector open up the opportunity to study the interactions between the formal institutions of the state, the characteristics of the higher education policy sector and the higher education institutions.

To integrate the above, the concept of the policy network is central to this study. The basic idea is that state models and types of higher education institutions shape the policy network, in other words shape the "complex interaction processes between a large number of actors which takes place within networks of independent actors" (Klijn & Koppenjan, 2000, p 139). The idea that is developed is that the shape of policy networks affects the extent of policy change that is generated

within the policy networks. All of this is elaborated on in detail in chapter two.

1.2.2. Why England and the Netherlands

Why compare England and the Netherlands? The problem of the comparative method is to find cases that are different on the independent variable, but similar in all other respects (Peters, 1998). Clearly, these situations almost never arise outside laboratory circumstances. Yet, this study argues that higher education in England and the Netherlands since the late-1970s comes close enough to be useful for comparative purposes. As previously mentioned the problems that higher education systems faced in the early-1980s were remarkably comparable. Moreover, both systems combined a higher professional education with a university sector. Although the English polytechnics were re-labelled 'universities' in 1992, much of their structure and the content of their activities did not change. Also this study focuses on four areas, quality assessment, finance, creating new study programmes and university environment relationships, which were similar in both countries in the late-1970s, early-1980s, which is the starting point of the study.

At the same time there is a clear difference between the countries in terms of their type of democracy. Lijphart himself has identified the United Kingdom as one of the states closest to his majoritarian model; in fact he even uses the term 'Westminster model' as a synonym. The Netherlands on the other hand is clearly much closer to the ideal type of the consensus model. Its coalition cabinets, its multi-party system and its corporatism are important indicators of Lijphart's consensus model.

1.2.3. In summary

This study has four basic objectives. The first is to chart developments in higher education in England and the Netherlands from 1980 till 1995. The second is to understand why there are different policy developments in England and the Netherlands, even though the problems with which these countries were confronted were comparable. Thirdly, to use this empirical material to contribute to the comparative policy debates surrounding Lijphart's theoretical work. Fourthly and finally to elaborate on Lijphart's theoretical work and to combine it with a theoretical analysis of the policy sector and its impact on the effectiveness of policy.

1.3. Research problem and questions

1.3.1. Research problem

So far this study has been justified. Now, a focused research problem can be specified:

- What policy changes have occurred in the higher education sectors in England and the Netherlands and can differences in the extent of policy change be explained through differences in the policy networks in which these changes were generated?

Before specifying this research problem into a set of research questions both the central variables in this question and the research method of this study must first be elaborated (this is done extensively in chapters two and three). The dependent variables concern policy change in the higher education sectors and actual change inside higher education institutions. The independent variables refer to the state models and the types of higher education institutions that give rise to differently shaped policy networks. These policy networks are the intermediate variable in this case study, acting both as dependent and independent variable.

1.3.2. Research questions

As it is central to this study, it is necessary to deal with the reputedly difficult measurement of policy change. Aside from the problems of measurement, there is the ironic fact that the most interesting changes are those that transform situations to such an extent that the old scales are not valid anymore. With regard to policy, these kinds of changes have been characterised as 'paradigm shifts' or 'second order changes' (Hall, 1993). Unfortunately, there are no criteria that conclusively determine whether change is 'normal' or 'paradigmatic'.

If policy change is almost impossible to measure objectively, what can be done? This study reconstructs policy change in England and the Netherlands as a reaction to common problems that both countries experienced in the 1980s. These common problems serve as a zero point. The question regarding the extent of policy change can be rephrased as: "Why (if this is the case) have these countries reacted to a different extent, to similar problems?" To give some focus to this question, the study is aimed towards four elements of higher education policy that are believed to be of central importance: finance, quality assessment, introduction of new study programmes and the relationship between higher education institutions and their environment. Developments in each of these areas are charted and compared qualitatively.

Charting changes in the policies with which the higher education institutions have been confronted is only part of the full story. Of equal importance is the question how these policies have influenced the internal structures and activities within higher education institutions. In fact, as Pressman and Wildavsky (1973) already noted in the 1970s, there is no clear demarcation between these questions of implementation and policy design. The whole policy process is in fact a process in which abstract objectives are translated in sub-objectives and means, which are ever more concrete, until they reach the activities of individual actors. When talking about policy change this study concentrates on two different levels of change. It focuses, first, on changes in the policy sector and second, on changes in the higher education institutions and in the activities of actors within them.

As stated previously, a central concept in this study is that of policy networks within which policy change is generated. These policy networks are shaped by, firstly, the type of democracy, i.e. the majoritarian or consensus model and, secondly, by the characteristics of organisations in the policy sector. In the context of this study this means the type of higher education institution: universities or higher professional education institutions. A further central idea is that the shape of these policy networks has an impact on the amount of policy change and actual change within the institutions (see the final section of chapter two).

Therefore, the main research questions underlying this thesis are as follows:

- Does the interaction between different state models and types of higher education institutions give rise to different policy networks?
- Can differences in the extent of policy change and actual change be explained through differences in the policy networks in which policy changes are generated?

As has been discussed earlier, the research method underlying this study is comparative, drawing on cases in England and the Netherlands, specifically on the university sector and the higher professional education sectors in both countries.

This leads to the following set of empirical research questions:

- Are there different policy networks in the Dutch and English university and higher professional education sectors?
- Is there a different extent of policy change in these different policy networks?
- Is there a different extent of actual change in these different policy networks?

1.4. Plan of the book

This study is in three parts: theoretical, empirical and reflective. The first part of the book is theoretical. It commences with a theoretical chapter (chapter two) that elaborates on the theoretical concepts touched upon in this introduction. The chapter defines these concepts, explore their interactions and hypothesise expected outcomes. The result is a set of hypotheses concerning the types of policy networks in university and higher professional education sectors in England and the Netherlands and their impact on policy change. The theoretical part concludes with chapter three, in which these hypotheses are operationalised. This chapter devises ways in which the variables in the hypotheses can be measured and the hypotheses can be tested. It should be noted that the nature of the theoretical concepts and the empirical systems examined here are too diffuse for quantitative analyses. Testing in this context means a structured argument on the basis of empirical findings whether or not the hypotheses are supported by the empirical data. This of course has consequences for the operationalisation.

The second part of the study is empirical and consists of three empirical chapters. The fourth chapter focuses on how the interaction between different state models and different types of higher education institutions lead to different types of policy networks. The chapter explores the characteristics of the policy networks and their dynamics in England and the Netherlands both in the university and the higher professional education sector. The fifth chapter focuses on the influence these policy networks have had on policy change in the university and higher professional education sectors in England and the Netherlands. The sixth chapter takes one step further and looks at the actual levels of change in the higher education institutions in the two countries and the two sectors. Chapters four, five and six all conclude by testing whether the hypotheses developed in chapter two are confirmed or falsified.

The final part of this study, consisting of chapter seven, provides an interpretation of the hypothesis testing in the previous chapters. The

chapter ends with a reflection of what the results of this study mean for the field of higher education policy studies, comparative politics and public administration.

2. Theoretical backgrounds

2.1. Introduction

There is a puzzling and longstanding debate in comparative politics on the qualities of different state models. This debate is indeed old; Aristotle in his 'Politieia' compared the Spartan, Cretan and Carthaginian constitutions, among others. He then attempted to create a typology to capture the essential differences between these states. Aristotle distinguished constitutions in which one, a few or many rule; each of these categories divides in a good and bad subcategory. The contributions to this debate have been ongoing since Aristotle's times. Still alive and well, the debate has spurned political and social scientists to contribute in different ways and from different perspectives. This study also contributes to this debate. As indicated in the first chapter, Lijphart's (1984, 1999) concepts of majoritarian and consensus democracies are the point of departure for this study. Change in higher education policy in England and the Netherlands, respectively a majoritarian and consensus democracy, are looked at in the empirical part of this study.

There is good reason to refine Lijphart's state models. To illustrate this, a small excursion into the field of comparative political economies is useful. State models were also used in this field, in the form of the concepts of strong versus weak states (Wilks & Wright, 1987; Atkinson & Coleman, 1989, 1992). 'Strong states' like France or Japan are contrasted with 'weak states' like the US, Canada or Britain. Strong and weak are defined here mainly as the amount of power these states have over (certain sectors of) the economy. The rough rationale that is generally used to explain differences between states is that weak states have industrialised early and spontaneously. Strong states on the other hand have played an assertive role in the economy in order to keep up with the countries that industrialised earlier. In Europe, England industrialised as a consequence of private initiatives and the creation of a capital market, in France industrialisation was pushed by the state. The basic argument is one of path dependency: during the process of industrialisation the state-industry relationships are institutionalised and gain permanence.

The criticism of this approach focuses on its monolithic view of the state and society. Different sectors of the economy and society may well have different levels of state interference. Moreover, the state is no monolith either; different parts of government and the state bureaucracy

can have different and sometimes conflicting interests and views. Finally, the theory suggests a one-way interference of the state with the economy, yet, groups in society, like industries also seek to influence the state. Consider France for example: the elitism in the higher education sector means that people with similar backgrounds are top civil servants and top level managers in industry, often even changing places during their careers. This means that although France is thought of as a strong state, industry has some leverage on how the state power is wielded.

The criticism on the old 'weak state versus strong state' conceptualisation has led to attempts for more sophisticated analysis of the relationships between states and society: the idea of policy networks. The idea is that in each section of society there are distinguishable networks of actors: interest groups, buffer organisations, quangos (quasi non government organisations), governments, etc. that interact to create policies for that particular section of society. It may be the case that government has a much more dominating role in certain sections than in others.

There is, however, a problem related to the theory of policy networks. Atkinson and Coleman (1992, p 163) highlight this problem very clearly:

> Having disaggregated the state, researchers in this tradition are faced with the problem of reaggregating it. They must consider how sectoral networks and communities affect the pattern of policy outcomes at the macro-level and how national political institutions condition policy networks and policy communities. So far this question has not dominated theorising.

It is at this point that this study seeks to contribute. The study bridges the gap, which was described by Atkinson and Coleman, by linking the state models of Lijphart with the concept of the policy network. This makes it possible to look at the effects of state models on the policy process in much more detail than is traditionally the case in the work of 'classical' political scientists. Moreover, it does not simply disaggregate the state into policy networks. The study focuses on the possible effects of state models on the shape of policy networks.

This study elaborates Lijphart's concept of the state model in two directions. First, the argument is made that policy change must be understood in the context of a policy network. A policy network is not only shaped by the state model of the state in which the policy network is located, but also by the types of (higher education) institutions that are operating in the network. Second, the idea is developed that looking only at policy change is not enough to understand change. What really

matters is actual change: change inside the organisations that were the target of government policy and change in the ways in which actors act within these organisations.

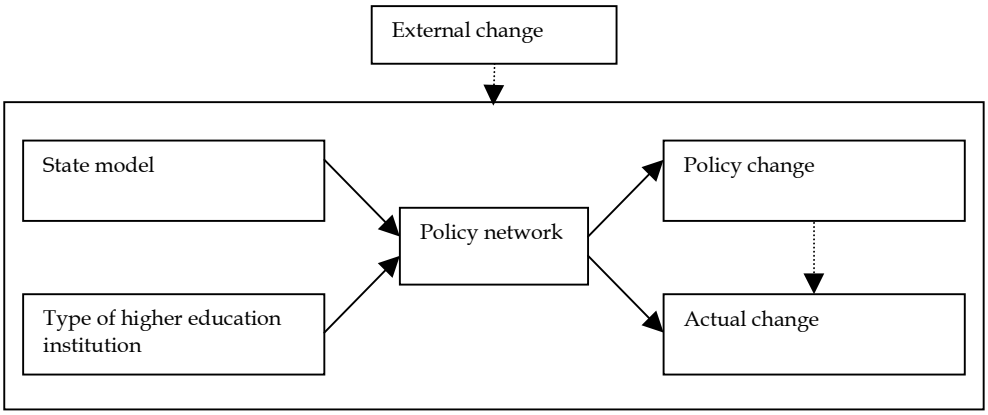
2.1.1. Towards a theoretical model

In order to integrate these two notions with Lijphart's concepts the policy network is central to this study. The policy network concept grasps the complexity of the policy process by identifying that the policy process takes place in networks of "exchange relationships between participants" with interest in a particular policy issue. In such networks, states, buffer organisations and actors in the policy sector interactively create, decide upon and implement policy. In such networks, stages in the policy process are blurred and different actors share responsibility within each one. The concept does not imply that the state is operating at the same level or in the same role as the actors in the sector. Different networks in which governments and the other actors play different roles and interact according to different rules are possible. In fact, the concept does not imply that the state operates as a unity. Different actors within the state may have different roles, e.g. government, Parliament and/ or bureaucracies. Following this same concept, the network is extended into higher education institutions. These organisations are no unities, executive boards and basic units (i.e. chairs or departments) can have different interests and to some extent act independently.

The other asset of the network concept is that while the complex dynamics of the policy process are grasped, it also points out structural elements in these processes. Networks imply at least some degree of stability in the relationships between actors within the network. The concept of the policy network is further elaborated later in this chapter.

The plain and simple logic of this study is as follows. Policy change takes place in a policy network in which different actors interact. These interactions are not completely random, a network has a fairly stable structure that sets it apart from actors meeting and interacting coincidentally. The structure of a policy network is influenced by the state model in which the network operates and by characteristics of the organisations acting inside it. Differences in state models and these actors give rise to different types of policy networks. Differences in these networks have an impact on the extent and speed of policy change and actual change. This can be summarised in the following figure (2.1).

Figure 2.1 Theoretical model underlying this study



In this chapter the concepts used in this model and their relationships are further explored and defined. At this point it is important to make three comments.

First, that the model is limited to the concepts and relationships presented in the large rectangular box. In other words, this study does not look in depth at the causes of change and how these relate to policy change and actual change in the model. Instead, the assumption is that in England and the Netherlands, universities and higher professional education institutions experienced similar amounts of external pressure. Both countries and sectors were confronted with massification, cut backs in the 1980s and the rise of the market concept of steering public services.

The second comment is regarding the link between policy change and actual change. The idea that there is such a link is taken for granted in this study. The assumption being that a positive relationship exists between the two. The nature of this link is in fact highly complex. Actual change can occur with or without policy change; policy change can, but does not necessarily lead to actual change. The relationship between policy and actual change is not the focus of this study. It instead concentrates on how policy networks have an impact on either of them. In the conclusions the nature of these relationships for this particular policy sector, in this particular time frame, is discussed.

The final comment is about institutions and their definitions. Institutional theory is a very wide and fragmented sector and there are many definitions of institutions. Moreover, the term 'institution' has a colloquial meaning in English, which further complicates the matter.

In this study the term 'higher education institution' or 'institution of higher education' means precisely the same as higher education organisation. In this context the use is the same as in colloquial English. When the study refers to a 'type of higher education

institution', it refers to the general concept of a university or an higher professional education institution (see section three). Of this general concept, this 'type', individual universities and higher professional education institutions are 'tokens'.

The second way, in which the term 'institution' is used, is that of a rule in its broadest sense, i.e. formal or informal; regulative, normative or cognitive (Hall & Taylor, 1996). In the context of this study these rules are referred to as the 'organisational structure' of higher education institutions.

A third way, in which the term 'institution' is sometimes used, is to define a field with a particular structure in which actors operate (Powell & DiMaggio, 1991). This type of institution is referred to in this study as the afore-mentioned policy network.

2.1.2. Content

Following on from the model shown in fig 2.1 and elaborating on the individual concepts, this chapter begins with Lijphart's work on state models. It identifies the types of higher education institutions found in the higher education sector. The chapter then continues with the concept of the policy network. This part shows how the state models and types of higher education institutions shape policy networks.

In order to explain the theoretical influence of policy networks on policy change and actual change, these two notions are introduced and expanded on. The notion of policy networks is reintroduced and its influence on policy and actual change dealt with.

The chapter concludes by constructing a set of testable hypotheses, surrounding all relationships identified in Figure 2.1. These hypotheses are operationalised in chapter three.

Majoritarian and consensus democracies

Lijphart has dedicated most of his working life to the creation of a typology of state models or, as he refers to them, 'types of democracies'. He distinguishes between two state models with fundamentally different characteristics. The debate outlined in further detail later is aimed at both his typology but more importantly and more interestingly on the consequences these state models have for policy making. Lijphart, particularly in his later work, defends the consensus model against charges that this model is inefficient due to the long and tiresome negotiation processes that are often perceived as a consequence of the model (Lijphart, 1999).

Typologies, like theories are, contestable. The typology developed by Lijphart is not only one most widely used, it is also one most widely contested. However, this is no reason not to employ it here since, although contested, it is the reference point for many debates in comparative politics (see for example Barry, 1975; Sartori, 1997). Lijphart has set, in a manner of speaking, the battleground on which political scientists in this part of the field wage war and it is common sense to examine the battlefield before declaring war on any party.

Lijphart's starting point is the notion that all democracies deal with a fundamental problem. Democracies are literally, 'states in which the people rule' from the Greek 'demos kratein'. The problem is that 'the people' is not a unified actor, but a population made out of potentially millions of people all with differing interests and perceptions. It should come as no surprise therefore that 'the people' often do not agree on political issues. The question then becomes: "In what way should a democratic decision-making process be organised to come to an agreement if opinions clash?" According to Lijphart there are two fundamentally different approaches. Either the majority of the people decides or as many people as possible are included in the process. It should be added that in modern large-scale democratic states today, citizens are not participating in decision making directly are represented. All citizens elect representatives freely and on an equal basis. Still, the two fundamental approaches can be recognised in modern day democracies.

The majoritarian model is simple and straightforward. It provides with a clear rule for decision-making, which was perhaps one of the reasons why Rousseau (1719 – 1782) was so attracted to it. In fact, he equated the will of the majority with the will of the people, the *volonté generale*. Moreover, Rousseau equated the choice of the majority with the best possible choice on rational grounds. The minorities did not just have different interests or opinions, they were simply wrong. Although few people would go as far as Rousseau, the idea that the majority decides is considered legitimate in many cases of collective decision-making.

The consensus model does not differ from the majoritarian model in stating that majority rule is better than minority rule. However, it considers majority rule a bare minimum; in addition, it seeks to maximise the majorities. Through its institutions, the consensus model aims at broad participation in government decision-making and broad agreement on the policies that are pursued. In not simply equating democracy to majority rule, this model echoes some of the ideas of political thinkers, such as Locke (1632-1704) and Montesquieu (1669-1755). These political thinkers focused not so much on democracy as a

system that provides the absolute power to the majority (a situation that can easily lead to the dictatorship of the majority over minorities). Instead, they saw democracy as a system that reduces the power of the ruler by balancing it with other powerful actors. Many of the institutions of Lijphart's consensus model are not only about including minorities in decision-making, but also about limiting the powers of an elected majority.

Since modern democracies are highly complicated systems of representation, as well as, checks and balances, the two models include complicated institutional arrangements that are founded on the basic differences explained previously. It should be clear that in reality the two models, which are elaborated on below, are never found in their pure forms. Real-life democracies are often mixtures of these two ideal types.

2.1.3. Majoritarian models

The fundamental ideas underlying the majoritarian model have already been outlined. The question is how these notions can be elaborated on in working models of democracy. Lijphart's majoritarian model is an abstraction of the British system. Its underlying logic is one of a two party system, which centralises as much power as possible in the majority of Parliament, thereby creating clear dichotomies and majorities. Owing to the fact that there are only two parties, the individual opinions of the citizens are aggregated in a system that is almost purely dichotomous. This dichotomy on virtually all policy issues creates a clear choice for the electorate.

The two-party system is a direct result of the electoral system employed in the majoritarian model. These electoral systems can be characterised as majoritarian and disproportional. The most commonly used system is the 'first past the post' system in which candidates compete for votes in a district. Only the candidate who wins most of the votes gains a position in Parliament. This means that small parties have no chance of entering Parliament, unless they are locally oriented. The model often results in disproportional representation in which it is not uncommon when a party with a firm majority in Parliament receives only a third of the votes. Proportionality, however, is not fundamentally important in this model. Instead, the fact that an election results in a clear victory for one party with a majority in Parliament is valued.

Although the electoral system is important, it is by no means the only significant characteristic of the majoritarian model. Strong party discipline is essential as well. This becomes clear if one compares the parties in the United States with those in the United Kingdom. Parties in

the United States are very loosely organised; their major role is during the election when they provide the labels for candidates to run under and the finance and organisation for an effective campaign. Once the elections are finished, individual members of congress have great autonomy in how to cast their votes. This results in a political process in which presidents have to find majorities for each piece of legislation they wish to pass through congress. These political dynamics involve many negotiations in which the party labels; the congressman's own convictions; the desires of his district and interest groups all play an important role. In the United Kingdom, on the other hand, party discipline is very strong. This changes the political dynamics. Once a party has a firm majority in Parliament, its leading politicians are part of the government. Due to strong party discipline – supported by a system of Whips that exert this discipline – the Cabinet can rest assured that every crucial piece of legislation will find a majority vote in Parliament. Party discipline increases the tendency in Parliamentary democracies for governments to play a leading role. This leading role is a direct result of the fact that almost all societies and policies in modern states have become so dynamic and complicated that it is impossible for Parliament alone to create all the legislation needed. Cabinets supported by large bureaucracies have this capacity.

Cabinets, however, cannot isolate themselves from external pressures and control society top-down, again due to the complexity and dynamics of modern societies. Interest groups that pursue their desires through the political system affect governments. Governments often need these interest groups to secure legitimacy or even to implement public policies. Lijphart claims that the institutions connecting the interest groups to the state are very different in majoritarian and consensus state models. Simply put, in majoritarian models there is a pluralistic interest group system with free for all competition among these groups. This leads to political dynamics that can be confrontational both between interest groups and also between these groups and the state. Unlike the corporatistic system of the typical consensus democracy there are no institutional arrangements that seek to integrate the different interests into a compromise.

In short, the majoritarian model is a model in which government power is highly centralised, based on clear majority in Parliament and institutionally (at least) autonomous from interest groups in society; interest groups that are engaged in open competition amongst each other (i.e. pluralistic).

2.1.4. Consensus models

As discussed, the consensus model of democracy differs considerably from the majoritarian model. The model rejects the exclusion of minorities from the decision process and instead seeks to involve them. The logic is that of a multiparty system in which as much power as possible is de-centralised to lower levels of the state and sectors of society.

The multiparty system is a direct result of the proportional electoral system. In this system parties compete for voters and receive a number of seats in Parliament that is proportional to the amount of votes they collect. As such the system is more proportional than the majoritarian system as the distribution of seats mirrors the votes cast by society. The system may also result in a potentially large number of parties represented in Parliament. The obvious problem with this is the difficulty to make decisions and create the stable coalitions needed to form a government. A threshold is often introduced in order to reduce the number of parties. Those that receive less than a certain number of votes do not get a seat in Parliament and their seats are redistributed amongst other parties. This threshold makes the system less proportional and more exclusive. The effects of a threshold can be dramatic. After Poland's first free election 26 parties ended up in Parliament. When the second election was held a 5% threshold was introduced and the number of parties shrunk to six.

The multiparty system creates a different political dynamic, but other characteristics of the consensus model are important as well. The first being, that governments are coalition governments. Secondly, the horizontal nature of the relationships between governments and Parliaments in these models. In multiparty systems no one party is likely to gain the majority of seats in Parliament. In order to create a Government that has real power a majority coalition is necessary. Even if party discipline is strong, a coalition with a majority is still not as solid a foundation for government as one majority party. Governmental decision-making therefore involves more negotiation with the constituting parties of the coalition and their factions in Parliament. The more parties the coalition consists of, the more complicated these negotiations are likely to be and the harder to keep the coalition together. Since there are multiple parties in Parliament there is the opportunity for them to enter into coalitions with others. Although this is often limited by a coalition agreement that spells out the government's position on the most salient issues, it still is a continuing threat to the coalition. This also gives non-coalition parties in Parliament a greater voice than those in majoritarian models.

Finally, in a consensus model the relationships between government and society is even more intense than in the majoritarian model. According to Lijphart this relationship is institutionalised in a corporatistic manner. Meaning that groups in society meet with the government in order to regulate a sub-section of society. Government in this system can play several roles, ranging from determining the broad direction of developments to mere peacekeeping among the societal groups. The ease of these negotiations depends largely on the number of parties and their willingness to compromise. Government, along with its role in the negotiations is actively involved with setting the rules for the meetings, most importantly, who is invited and who is not.

In short, consensus models are characterised by multiparty systems, coalition governments and intensive, institutionalised interactions between government and society (i.e. corporatistic).

2.2. Two types of higher education institutions

Higher education systems, particularly in England and the Netherlands, are well suited when studying the impact of characteristics of the specific types of organisations in a policy sector on the shape of policy networks. The reason being that the higher education sector contains two sub-sectors, a university sector and a higher professional education sector, which share many characteristics and have grown even closer in the past two decades. In England the decreasing gap was stimulated by the state and eventually led to a re-labelling of the polytechnics as universities.

Despite these similarities important differences remain. The higher education institutions rest have traditions that still affect their current organisational behaviour. They have different primary processes, with research being far more important in the traditional universities. It is argued later that this affects other organisational characteristics as well. Both similarities and differences are important to this study. The similarities show that the sectors are comparable. The differences are important to help understand the effectiveness of policy making alongside the state models introduced above.

2.2.1. Two traditions in higher education

Higher education is often portrayed as age-old. Universities are pictured as existing since the dawn of time, small pockets of wisdom and light in the midst of the dark Middle Ages. Indeed the idea of the university, as a community of teachers and students, can be traced back to mediaeval

times. It was founded on surviving small organisations for high level judicial and medical training (traces from Roman and Muslim civilisations) as well as the rise of the cathedral schools in the late Middle Ages. There is, however, an important difference between the survival of the *concept* of a university on the one hand and the *real-existing* higher education institutions, of our present time, on the other. First, the organisations sailing under the flag of 'university' have profoundly changed, especially since the early nineteenth century. Second, another sector has emerged alongside the universities in many countries, that of higher professional education institutions. Although higher professional education lacks some of the grandeur that comes with the long traditions of universities, it has a distinctive tradition and a set of characteristics of its own.

The nineteenth century saw the rise of two new continental traditions of higher education. First, there was the Humboldtian tradition, in which universities were to produce the purest and highest form of knowledge. To ensure this purity, it needed to be secluded from the world. Both teachers and students were to engage in research and education in absolute freedom. The other new tradition, emerging in the early nineteenth century, was that of the Napoleontic University. Napoleon saw a need for highly skilled professionals, a need that was not fulfilled by the universities of his day. A whole new sector was developed in which research was far less important then training professional skills. Both models had an impact on the shape of higher education systems and universities in Western Europe, but the Humboldtian model was especially influential, so much so that some call it the most important export product of nineteenth century Germany. Over the course of the century it became the leading university model for many continental countries, but also had a large impact on research universities in Britain and the United States (Clark, 1994).

Though these new models were significant, they were by no means the only moulding force behind universities and were not solely responsible for the changing nature of the universities since the Middle Ages; universities were also affected by the realities of the industrial revolution. To some extent it is fair to say that the massive increase in universities began in the wake of the industrial revolution. In England, for example, up to the nineteenth century there were only two universities Oxford and Cambridge. It was only during the nineteenth century that a new series of universities became established. The industrial revolution increased the demand for scientifically trained people able to contribute to industrial developments or to regulate its consequences. These universities were still labelled 'university', but their

mission, organisational structure and type of student they catered for changed dramatically (Scott, 1995).

In the twentieth century universities transformed again. Arguably, the two most important developments were the growing influence of the state[1] and massification of the university system. Growing state interference with universities ran parallel with increased funding by the state. As society and technology became increasingly complex, there was a growing awareness of the important role of universities, leading to increased state funding. With this though came the desire to control to some extent what universities were teaching and researching and to align this with national priorities. This development did not follow the Humboldtian ideal of autonomous universities and total freedom in learning and teaching. The second development, massification, was a trend in almost every Western State between the 1960s and 1980s. This period saw an increasing number of students entering university. The quantity of students grew to such an extent that it could be argued to have made a fundamental difference in the nature of the university. The Humboldtian ideal of teachers and students co-operating in learning and researching was very difficult to combine with large numbers of students.

Universities have transformed radically in the past two centuries. Along with the internal changes, their environment has transformed due to the rise of a different type of higher education: higher professional education. Professional education in most Western countries was integrated in the guild system. The guilds, which had been on the wane for more than two centuries, were formally abolished in the nineteenth century. With their abolishment, their role in education ended. In the nineteenth century alternative methods of transferring professional skills and knowledge needed to be created. These higher education institutions were small, fragmented and locally or regionally oriented; they were often created by industries with the specific intent of educating employees. From the late nineteenth century onwards, these small and often private higher education institutions received increasing government funds. Parallel to the growth in state funding, the higher professional education sector became increasingly legally embedded. Often, however, these sectors were extremely fragmented and diverse, their similar legal categorisation being the only characteristic they shared (Schippers, 1989).

[1] Although the increasing role of the state arguably began much earlier (Neave, 2001), it can be argued as well that the amount of control did increase especially after the second world war, as states provided more and more funding to the university system and thereby had the power of the purse (Scott, 1995).

From the 1960s onwards, higher professional education started to expand rapidly. The massification of higher education that affected universities affected higher professional education even more. This non-university sector was considered a cheaper form of education that provided the orientation necessary for economic growth. Expansion of this sector gave rise to debates on its internal structure and relationship to the state. In several countries this led to a process in which many of the institutions merged, from the 1980s onwards. The Netherlands for example saw a reduction from 360 institutions to only 60 within a decade (Goedegebuure, 1992).

Most of the larger higher professional education institutions offered a wide range of programmes from which students could choose. In fact, many of them started offering programmes that were not unlike university courses. Although debatable this final development, the convergence of academic and professional education, is important. There are several explanations for this process, but it is hard (and not central to this study) to pinpoint the exact chain of events (Meek et al, 1996). First, universities had status, therefore higher professional education sought to imitate universities to increase their own status. Second, the definition of higher professional education changed, as there are many jobs that now require the type of academic problem solving that used to be the prerogative of the university-taught elite. This means on the one hand that higher professional education has adapted to the needs of employers and on the other hand that universities have started to explore a new market. In a process sometimes referred to as professional drift, many universities have started to offer study programmes based not directly on academic disciplines but on certain job-profiles instead (Enders, 1997).

As a consequence of the merging processes and state interventions, higher professional education emerged as a sector alongside the university sector. Due to a decrease in fragmentation it was easier for the higher professional education institutions to organise themselves vis-à-vis the universities. In legislation the sector was recognised as a form of higher education with similar mechanisms for funding and steering as universities. Of course there remained differences a well.

2.2.2. Universities and higher professional education institutions

The differences between universities and higher professional education institutions derive in the first place from the previously-identified traditions on which both types of education are based. Pratt describes the implications of both traditions vividly:

> [The autonomous tradition, of university education, is] …an activity with its own values and purposes, affecting the rest of society obliquely. The other 'service' tradition explicitly expected higher education to serve individuals and society and justified it in these terms. The autonomous tradition was further characterised as aloof, academic, conservative and exclusive. In this tradition people and institutions hold themselves apart, ready if necessary to resist the demands of society or of governments or students. (…) By contrast the 'service tradition' can be characterised as responsive, Professional, innovative and open. (Pratt, 1997, p9)

Although both traditions undoubtedly exist in higher education they are not always perfectly reflected in the two types of higher education institutions. It was already stated that continental universities were built on at least two traditions, the Humboldtian and the Napoleontic, the latter being close to what Pratt calls the 'service orientation'. Moreover, universities grew and many new ones were developed in response to the industrial revolution to cater for the new needs of industrial societies. Finally, higher professional education, due to recent processes of academic and professional drift now bears much more resemblance to university style education than its earlier counterparts. True as this may be, there remain important differences as well; these are not absolute, but relative.

Universities are based on several traditions, as previously mentioned. Yet it is fair to say that among these the Humboldtian ideal of autonomy stands out as particularly important, especially for research universities. This ideal of autonomy has an influence on the organisational culture and structure of universities. In terms of structural differences to the higher professional education institutions, three important characteristics are portrayed here.

The first is the greater striving for autonomy of the university vis-à-vis its environment (including the government). Universities, notwithstanding the rhetoric of market orientation, are not as open to their environment as higher professional education institutions.

Secondly is the stronger position of academics versus managers, which flows from the tradition of autonomy. Academics in the university enjoy a relatively large personal autonomy. This autonomy is not exclusive to universities; it is typical of all professional organisations including, hospitals, ministries and higher professional education institutions. This level of autonomy is strongly desired by the professionals in these organisations. Every professional performs his tasks on the basis of extensive education and does not readily accept hierarchical interventions from anyone who lacks that education. On top of this, universities are exceptional in two respects. First, academics are hyper-professionals, trained more extensively than most other

professionals, with the probable exception of medical staff. Second, autonomy is not only a consequence of professional pride, but also of values deeply embedded in the university organisation (Clark, 1983; Van Vught, 1989). The hyper-professional academics work within an (informal) organisational structure that maximises their autonomy.

The third characteristic is a direct consequence of the second; the stronger position of de-central elements versus central management in universities. In universities by definition, many different subjects and disciplines are taught and studied. It is in the nature of academic work that it is organised within these disciplines. In most universities, at least informally, professors that hold a chair dominate this level of the organisation. The chair provides professors with a personal domain within which he, to a very large extent, can decide what he and his co-workers should be doing. Decisions on higher organisational levels are based on collegial authority among chair holders; in this system the head of a university, for example, is elected from within this body of peers. (Clark, 1983) It is clear that this organisational structure, a direct copy from the medieval guild system that survived inside universities, gives great autonomy and power to the de-centralised levels of the universities. Although there have been attempts in most Western European countries to reform university management and make it more enterprise-like; the old structures remain important (de Boer, 2003).

In summing up the differences between universities and higher professional education institutions, three organisational differences emerge. First, universities are more autonomous vis-à-vis their environment. Second, within universities, academics have more autonomy than teachers in higher professional education institutions. Third, in universities de-centralised chair remain very powerful, leading to a more de-centralised organisational structure. In the context of this study the question is what these differences mean for the policy process and the implementation of policies inside universities and institutions for higher professional education.

2.3. Policy networks

2.3.1. The concept policy networks

To refine the analysis of the effects that state models have on the policy process and to combine these insights with the importance of different types of higher education institutions, it is necessary to take a closer look at the context in which this policy process takes place. As mentioned in the introduction to this chapter, this study uses the concept of policy networks (Kickert, et al, 1997) as a perspective on how policy is made

within the different state models. The basic assumption of the policy network, as a framework for studying the policy process, is "that policy is made in complex interaction processes between a large number of actors which takes place within networks of independent actors" (Klijn & Koppenjan, 2000, p 139). The actors involved in the policy process are mutually dependent because they need each other's resources. In the case of higher education policy making for example, higher education institutions are dependent on state resources in terms of funding and regulation. At the same time, the state depends on higher education institutions for information and their capacity to implement policies. Therefore, in policy networks co-operation is a necessity to achieve satisfying outcomes. This does not imply that there are no conflicts within these networks, there is a diversity of interests and objectives that at times may clash.

Notwithstanding the complex dynamics of policy making in policy networks, the concept of a network also implies a certain structure that underlies the interactions between actors. Networks discernable characteristics. Central to this study are the questions: what are these characteristics and can they explain (patterns of) policy change? Rhodes, for example, (1997, p. 9-10) points out several of structural elements that they provide. Namely that networks limit participation in the policy process; define the roles of actors; decide which issues are included and excluded on the policy agenda and shape the behaviour of actors by establishing the 'rules of the game'.

While the concept of the policy network has gained a large number of adherents in the fields of political science and policy studies, there is an ongoing debate surrounding its contribution to the understanding of political and policy processes. Peters (1998, p. 21) summarises this debate in one question: "…are 'networks' better understood only as a metaphor (…) or are they also a more substantive means of explaining the dynamics of political interactions and policy making?" Put differently, the question is whether the knowledge that networks exist, helps in predicting policy outcomes.

To be able to judge whether networks can help in explaining policy outcomes, comparative analysis is necessary. What needs to be done is to classify different types of networks in order to be able to use them as independent variables that can help to explain policy outcomes. According to Marsh (1998, p. 15) comparative research on networks can take two different forms:

> First, we could compare policy formation and outcomes across the same policy area in two or more countries. If the counties shared similar political and economics contexts, but had different types and structures

> of policy networks, and the policy outcomes were different, then this would suggest, in this case at least, networks have a considerable effect on outcomes. Second, we could compare policy making processes and outcomes in different policy areas in a single country over the same period. Using this research design we can hold at least some elements of the context constant, so that any evidence of different networks structures and different outcomes would suggest that the networks is having some effects on the outcome.

As previously stated this study follows Marsh's first approach to comparative research on policy networks. The fact that social and economical contexts in both the Netherlands and England and the university and higher professional education sectors have been comparable in the 1980 to 1995 timeframe has been argued in chapter one. What needs to be created now is a classification of policy networks that can be used for comparative research.

2.3.2. The structure of policy networks

The classification of networks in this study is based on the core concepts of the state model and types of higher education institutions. The idea being that the interaction between these two concepts leads to four different types of policy networks. Each of these networks has its own characteristics leading to particular dynamics within the network.

This study does not seek to make a contribution to new ways of conceptualising networks and, in fact, only works with very simple concepts and a limited number of actors in the policy sector. The contribution lies in the characterisation of the shape of different networks and their contribution to understanding policy and actual change, through comparative research.

Each of the four networks consists of three layers, or put alternatively, three interlocking networks. First, the 'state network', within which the cabinet, the Parliament and the ministry are defined as actors for the purpose of this study. Secondly, connecting state and higher education institutions, the 'sector network' that consists of buffer organisations, interest and lobby groups. This network can, depending on the state model (see section 2.2), be pluralistic or corporatistic. Third, the 'higher education institution network' within the higher education institutions: consisting of an executive board and a number of basic units. These three networks are interconnected. Actors within the state and higher education institutions can have various relationships with actors outside these entities. In order to reduce the number of relationships that are examined, the state and higher education

institutions are examined as though they were single actors, within the second network.

This leads to a two by two matrix with four cells that contain the essence of each network. The content of the matrix is elaborated on below.

Table 2.2 Four different policy networks

	Majoritarian	**Consensus**
University	*State network* • Central position of cabinet *Sector network* • Pluralistic • Autonomous position of higher education institutions *HEI network* • Autonomous position of de-centralised units of the higher education institutions	*State network* • Central position of Parliament and intermediary organisations *Sector network* • Corporatistic • Autonomous position of higher education institutions *HEI network* • Autonomous position of de-centralised units of the higher education institutions
Higher Professional Education	*State network* • Central position of cabinet *Sector Network* • Corporatistic • State dominant over higher education institutions *HEI network* • Centralised higher education institutions	*State network* • Central position of Parliament and intermediary organisations *Sector network* • Corporatistic • State dominant over higher education institutions *HEI network* • Centralised higher education institutions

Note: This table presents a short overview of the types of indicators for different policy networks, these indicators, for matters of presentation, are formulated in absolute terms. They are in fact, of course, relative.

University- majoritarian policy network

The policy network of the university sector inside the majoritarian model is influenced by the characteristics of the majoritarian model in which government power is highly centralised inside the cabinet, based on a clear majority in Parliament and autonomous from (higher education) interest groups in society. These interest groups are rivalling each other in a fairly unregulated arena, unlike the more corporatistic structures in consensus democracies. But the network is shaped in part by the characteristics of universities. Universities are relatively autonomous vis-à-vis their environment when compared to higher

professional education institutions. Within universities de-centralised chair or departments are powerful, leading to a fragmented de-centralised organisational structure.

University- consensus policy network
In consensus models the network is influenced by the characteristics of this particular state model i.e. multiparty systems, coalition governments and intensive, institutionalised interactions between government and the higher education sector. Interest groups are part of a (legally embedded) corporatistic structure in which competing interests are being integrated. These aspects of the network are combined with universities that are relatively autonomous vis-à-vis their environments. Again, within universities de-centralised chair or departments are powerful, leading to a fragmented de-centralised organisational.

Higher professional education- majoritarian policy network
Like in the case of universities, in majoritarian models the policy network of the higher professional education institutions is influenced by the characteristic of this model where government power is highly centralised in cabinets and autonomous from interest groups in society. Like the university/ majoritarian network, the network is pluralistic. These characteristics are combined with those of the higher professional education institutions, which are less autonomous vis-à-vis the state than universities, internally the institutions are more hierarchically organised with less autonomy and power for the de-centralised levels of the organisation.

Higher professional education- consensus policy network
Finally, combining consensus models with higher professional education institutions gives rise to multiparty systems, coalition governments and intensive, institutionalised interactions between government and interest groups in a corporatistic way. These aspects are combined with less autonomous position vis-à-vis the state compared to universities and the more hierarchically organised nature of these institutions, with less autonomy and power for the de-centralised levels of the organisation.

2.3.3. Conclusion

Based on the influence of the state model and the type of higher education institution, this study has defined four distinctively different networks. Roughly characterising each of these, gives the following

result. The network of the university sector in a majoritarian state model is characterised by the odd mix of a centralised state interacting with de-centralised higher education institutions. The network of the higher professional education sector in the majoritarian state model is characterised by a centralised state, controlling centralised higher education institutions. The network of the university sector in a consensus state model is that of a de-centralised state, interacting with de-centralised higher education institutions. Finally, the network of the higher professional education sector in the consensus state model combines a de-centralised state, controlling centralised higher education institutions. The question is: "How do these networks affect policy change and actual change?"

2.4. Policy change and actual change

To pinpoint the effects of the various policy networks on the policy process, the nature of this policy process needs to be explored. In the introduction it was stated that one of the aims of this study was to understand the policy changes that occurred in higher education during the period from 1980 to 1995. It was stated that these policy changes were a reaction to perceived problems resulting from massification and budget-cuts and a belief that quasi-markets could raise effectiveness and efficiency. This should not be read as a simple linear relationship, (e.g. that government perceived a problem, analysed it and used instruments to tackle it). The policy process nowadays is predominantly perceived as taking place inside dynamic networks in which a variety of actors (among whom the state) seek to create policies that serve their own ends. If what happened in higher education in the 1980s and 1990s is to be truly understood, these complexities need to be explored. That is the content of the next few sections.

2.4.1. Studying the policy process

The classic literature in public administration has a very rational perspective on the policy process; this is a direct consequence of the context in which this literature emerged. America in the 19th century was in the firm grip of political parties. The 'spoils system' meant that politically appointed officials occupied many of the functions in the administration. The jobs of these party members depended upon the victory of their party, which is why during the 19th century parties transformed into political machines that had one goal: to stay in power. Bribing, intimidating and favouring influential groups were not

shunned to secure votes and thereby the jobs of the political appointed administrators (Knott and Miller, 1987).

The 'classic' theory of Public Administration can only be understood against that background. Wilson (1887) and Goodnow (1900) stated that politics and administration should be separated. Goodnow described politics as the expression of the will of the state and administration as the execution of that will. The separation of administration and politics was intended to purify administration from politics. Wilson and Goodnow sought to distance administration from the political spoils and scandals that undermined the administrative effectiveness. Wilson also suggested that administrators create a set of tools that could be used for any public purpose. "If I see a murderous man sharpening a knife cleverly, I can borrow his way of sharpening the knife without borrowing his probable intention to commit murder with it" (Wilson, 1887, p 25). These ideas coincided with those of the 'scientific management' movement (Taylor, 1912). Analysts influenced by this movement sought the 'one best way' to perform administrative work efficiently, free from the meddling of partisan politics. The ideal of implementation was the execution of pre-designed policies by neutral administrators. The objectives of the policy were decided upon in a political process. The most effective and efficient means to achieve them should be established scientifically. Once found, the means were to be applied perfectly and loyally by neutral civil servants.

From the 1960s onwards this normative approach was increasingly criticised. "It neither produced success nor explained failure." (Kettl, 1996, 413) These approaches received criticism and were transformed along two lines. The first looked deeper into the decision-making process surrounding public policies. The second focused on an area previously neglected: implementation.

Analysing the role of policy makers, Lindblom (1959, 1979) observed that in practice policy making is not the rational process described above. In complex situation this would require more intellectual capacities and more sources of information than man could handle. Moreover there were no clear values on which everybody agreed and decisions could be based. Lindblom described the policy process as a simultaneous choosing of means and ends. A policymaker focused on incremental values to make choices. This means that actors decided on adopting a policy by comparing different policies on what they contributed to the attainment of certain goals. The differences of these contributions to goal attainment and the valuation of these goals by the actors were the policy maker's criteria for deciding which policy to adopt. A major point Lindblom raised is the limited capacity of the

policy analyst; due to this limitation they must neglect important possible outcomes, alternative policies and affected values.

Lindblom focused on the irrationality of decision making by individual actors in the policy process, suggesting that at an aggregate level there may be more rationality due to the fact that individual mistakes are levelled out. Kingdon (1995) looked at this aggregated level and perceived irrationalities at this level as well. Policy formation, in his perception, is the result of the joining of three 'streams', namely of problems, politics and policies. In the first stream various problems come to the attention of people in and around government, this may happen because an indicator (e.g. government expenditure) changes; or because of crises or other highly symbolic events. Almost parallel to this runs the policy stream. Policy is produced in a policy community, consisting of experts, interest groups, bureaucrats and researchers. As Kingdon puts it: "…they each have their pet ideas or axes to grind; they float their ideas up and the ideas bubble around in these policy communities" (1995, p 87). Finally there is a political stream composed of swings in the nation's mood, public opinion, elections, changes in political parties and interest group campaigns. According to Kingdon, each of these streams develops and operates largely independent to the others. The key to understanding policy change is the coupling of these streams. The separate streams come together at critical times. A problem is recognised, a solution available and the political climate favourable, in short, a policy-window opens and things start happening. Until this is the case, problems may rest unsolved, policies are waiting for problems that they might be the answer to and politicians are trying to find problems to put on the agenda.

The second line of research, which focuses on policy implementation, began in the 1960s in America. The study of implementation set out to study processes between policy making and policy outcomes. This approach was more empirical than normative in nature. The separation of politics and administration had always been a normative ideal and was no longer the point of departure in these studies. The actual content of a policy is partly accomplished during its implementation and actors in the policy sector directly influence policy-makers. Policy and implementation were seen as interdependent (Pressman and Wildavsky, 1973). The growing complexity of both society and the problems addressed by government increased the complexity of the policy process. This made it more difficult to synoptically design a policy and control the entire process of implementation.

Pressman and Wildavsky identified three major problems. First, implementation requires the co-operation of many actors in many

phases and therefore the opportunities for obstruction are endless. A second and related problem is that of control; the goals of those at the top of the administration may differ from those at the bottom. Controlling those at the bottom is difficult due to the long and complex chains of authority inherent to public bureaucracy. A final problem is that the context of policy implementation is complex with many opportunities for those involved in the policy implementation to strategically distort and/ or delay implementation.

2.4.2. More recent developments in policy literature

The aforementioned developments in policy studies literature has led to several insights that are mirrored in more recent literature in this field. In the context of this study the following are of importance:

- The realisation that the policy process is a highly complex process in which many actors and factors interact. As stated earlier, the interest in policy networks is a direct result of this insight.
- The notion that the policy process takes place in a context in which institutions influence the attainable goals, available alternatives and define the positions and roles of actors in the policy process.
- The realisation that developments in policy often mean policy change (not establishment of new policies) has led to an interest in the dynamics of policy change and the ways in which existing policies affect new policies.
- The realisation that implementation is not a straightforward process has spurned a widening of the concept of policy to include changes at many different levels and not only the content of policy documents.

The first point was already touched upon when the different policy networks that form the basis of this study were discussed. To reiterate: policy making is complex, dynamic and involves many actors. This is why the concept of policy networks, has gained importance in the public-policy literature (e.g. Knoke et al, 1992; Wilks & Wright, 1987; Rhodes, 1997, Kickert, et al, 1997). It captures the complexity whilst simultaneously providing the tools to map the complex interactions. It is for this reason that the concept of the policy network is central to this study.

The second point is reflected in the work of many authors in the field 'historical institutionalism' (e.g. Steinmo et al 1992; Hall & Taylor, 1996). For the purpose of this study, the work of Immergut (1992) is a useful example of work done in this field. Her research on healthcare

systems is a clear illustration of how the institutional characteristics of a state influence the policy process. In her study of health care systems in Sweden, Switzerland and France, Immergut shows how the differences in the development of health care policies are linked to state structures. She argues that the three countries started off with similar intentions shortly after the Second World War, i.e. providing national healthcare for their populations. Fifty years later, however, they ended up with very different healthcare systems.

Immergut argues that these divergent outcomes cannot be explained by differences in the ideas of policy-makers, differences in political partisanship, or differences in the preferences and organisation of interest groups. Instead, she suggests that the outcomes are better explained by the political institutions in each country.

> These institutions establish different rules of the game for politicians and interest groups seeking to enact or to block policies. De jure rules of institutional design provide procedural advantages and impediments for translating political power into concrete policies. De facto rules arising from electoral results and party systems change the ways in which these formal institutions work in practice. (...) Constitutional rules and electoral results produce different constraints on the ability of executive governments to introduce new policies. These institutional and political hurdles direct decision-making along different paths in different polities. Opportunities for veto determine whether the effective point of decision will be the executive arena, the Parliamentary arena, or the electoral arena. The specific mechanisms for veto determine precisely which politicians or voters have the power to ratify or block policy proposals. (Immergut, 1992, p 58)

According to Immergut the power of interest groups is not just a function of power resources, but critically depends on the relationship that these groups have with the political system. Institutional mechanisms structure the decision process in a given polity, veto points provide interest groups with opportunities for influencing political decisions. Depending on the logic of the decision process and location of veto points, different political strategies are available to them and different groups are privileged. Immergut then discusses how constitutional rules and electoral results have influenced the developments in health care in Sweden, France and Switzerland. Her analysis can be summarised as follows. All three countries in Immergut's study started off (shortly after the Second World War) with the same intentions, to create a national healthcare system. The developments in the period after the war were in fact very divergent.

In Sweden a national health care system was set up. In France, government measures to create national health care were fragmented and incomplete. In Switzerland the idea of a national health care system was never realised. This was peculiar as in all three countries doctors held strong professional positions and were opposed to national health care. Immergut then turned to institutional explanations for these divergences. In Sweden the political executive could count on the decisions being routinely confirmed by Parliament. As Social democrat governments rested on a secure parliamentary majority, government decisions were automatically ratified by Parliamentary votes. This strongly reduced the influence of Swedish doctors' interest groups. By contrast, the Parliament of the Fourth Republic in France offered many opportunities for interest group influence. Unstable Parliamentary coalitions and lack of party discipline impeded executive governments from enacting legislation because different parliamentary majorities countered each proposal. French doctors used their contacts with Parliament to demand legislative concessions. In Switzerland the referendum pulled decision-making in the electoral arena. Referendum votes were more often negative than positive. Consequently referendums were seen as a threat to legislation. This created the strategic opportunity for Swiss doctors to threaten the government with a referendum in order to obtain policy concessions.

In conclusion, there are several areas of Immergut's work that are of importance to this study. First, her statement that actors formulate their goals, ideas and desires independently from institutions. The institutions only become relevant in strategic calculations regarding the best way to advance a certain interest within a particular system. This is true because Immergut focuses on institutions on a high level of aggregation in such cases, institutions tend to be 'chronologically independent' from the actors and strategies as they were established long before these debates began. Moreover with such institutions, the actors that are engaged in constitutional debates are very rarely identical to those who are later engaged in policy conflicts.

Within a given set of institutions more than one course of action is available, historical accidents and the individual actions (and even mistakes) are as important as institutional constraints. Institutions predict which courses of actions are likely to result in success or failure, but they do not predict what an actor will decide in a given situation. "No view of politics can rely exclusively on either institutions, on the one hand, or interests and actors on the other; both components are necessary to our understanding of the past and to our role of subjects of the future." (Immergut, 1992, p 85) Similar to Immergut's work, the aim of this study is to understand the dynamics of the policy process by

looking at institutions, i.e. Lijphart's state models. However, attention to the importance of the types of organisations in the policy sector is also included.

The third point is dealt with by Hall (among others) who focused on power, institutions and interests in order to understand policy change. Policy change, in Hall's work, is defined as a change in policy, i.e. a change in the objectives of policy, the instruments through which the objectives are achieved or the intensity with which the instruments are employed. This definition is similar to Hoogerwerf's (1989) definition of policy and Hall's (1992) conceptualisation of policy change. Hall distinguished between three levels of change. At level one only the intensity with which instruments are employed changes, in terms of fiscal policy, for example, government spending is adjusted. At level two the instruments change, government, for example, chooses to regulate through interest rates instead of public spending. At level three, policy objective change, e.g. government realises that full employment is unattainable and therefore low inflation needs to be the aim of its policies. The higher the level of change, the more complicated it is to make the policy change. The first level is easy to achieve, as it does not require new policy theories. The second level is more complicated, as it requires the design and implementation of a new instrument, both of which may involve new ideas, actors and often a great deal of negotiation. Designing and implementing a new instrument is not the only time-consuming factor; the fact that some agencies may now get involved in a policy and others left out may cause political struggle among them. The third level is even more complicated. Aside from the difficulties encountered in stage two changing objectives often involves changing ideologies making the changes politically salient. Changing objectives more often than not creates winners and losers. Some actors will be the new beneficiaries of public funding, others may loose public funding; some actors loose autonomy and others gain it.

In the introduction, the changes in policy that form the focus of this study were discussed. Based on Hall's findings, it is fair to say that the changes with which higher education has been confronted rank somewhere between levels two and three. The 1980s and 1990s did not fundamentally change the objectives for higher education, although more emphasis was placed on making higher education useful to society and the economy (see also Huisman & Theisens, 2001). What changed was that these objectives had to be reached under different circumstances than previously, i.e. with many more students and less funding per student. To cope with this situation and as a consequence of new ideas about steering, there have been radical changes in terms of the policy-instruments employed, financing output and quality

assessment etc. Therefore policy change in this study are defined as: "*changes in the instrument that the state employs to steer a particular (in this case the higher education) sector.*"

This encompasses two aspects, on the one hand the speed of change, i.e. *the time it takes governments to design and decide upon a particular piece of policy*. The other is the size of change, i.e. *the discrepancy between the policy goals and the actual situation.* It is clear that the total amount of change is the product of these two aspects. Many quick decisions on relatively small sized policy changes might equal one large sized policy change that takes a long time to design and decide upon.

The fourth 'insight' is applied in the field of higher education by Cerych and Sabatier (1986). They distinguish between a first stage of policy formulation that ends with a formal decision by cabinet or Parliament in which a new policy is established. In a second stage this policy is assigned to one or more organisation for implementation. In the field of higher education, they name the Ministry of Education and higher education institutions themselves as organisations that will almost always be involved in this implementation. The third stage is that of policy reformulation, which may include a new formal decision by cabinet or Parliament, but which will often be a more subtle process involving cumulatively important changes, largely imperceptible to people outside the implementing institutions.

It is this last stage that is central to this study as it implies a difference between policy change and actual change. It is argued in the following two sections that, there is ample room for a reformulation of policy during the implementation stage, particularly in universities. This may result in different changes than were intended by the policies that invoked those changes.

Actual change is defined in this study as: *changes in (the patterns) of behaviour inside the organisation and of actors within the organisations that are confronted with certain policy changes.* As in the case of policy change this definition also states that both aspects of change are important, the speed and size of change are taken into account in this study.

2.5. Explaining policy change and actual change

The four aforementioned insights are the starting point for the "second half" of the model presented in the introduction; the question how policy networks affect policy- and actual change. Before formulating theoretical expectations for these networks, it is important to take a step back and review the discussions regarding the relationships between

state models and policy change, as well as the types of higher education institutions and actual change that other authors have focused upon.

2.5.1. Effectiveness of policy making in the two state models

With regard to Lijphart's state models, a debate has ensued in comparative politics on the effectiveness of different types of democracy. Fundamentally the question is whether representativeness and effectiveness are inversely related or not. Sartori (1997, p 53), in his characteristically bold style, stated that these two characteristics exclude each other.

> Representational systems belong to two main patterns… The English type sacrifices the representativeness of Parliament to the need of efficient government, while the French type sacrifices efficient government to the representativeness of Parliament … [And] we cannot build a representational system that maximizes at one and the same time the function of functioning and the function of mirroring.

Note that Sartori is speaking about the fourth Republic in which the number of parties in Parliament and the weakness of governments made governing particularly difficult. The question is whether this contradiction always existed; the French Fifth Republic, where government was arguably effective, can be seen as a counter example. Lijphart argues that the contradiction between representativeness and effectiveness is false. He has three basic points. First, majoritarian governments may be able to make decisions faster, but these are not necessarily wise decisions. Simply put, majoritarian governments can make faster decisions because they do not have to negotiate within a coalition, with parties in Parliament and with interest groups in society (or at least to a lesser extent). It is debatable whether the slower decision-making of the consensus democracy, in which many perspectives are included in the policy process, does not in fact improve the quality of policies. Policies may be created slower, but may be more effective because they are better thought through. Second, in majoritarian models a change of government is a change of parties that are often juxtaposed. The government changing completely each time another party gains a majority in the elections may result in frequent and abrupt changes in policies. It is hardly effective if a completely new policy is created before the old policy has been implemented. Finally, extensive negotiations may lead to broad support for the government policies. Policies that are widely considered legitimate are less likely to be obstructed by the sectors in which they are to be implemented.

The problem with this debate is that it has taken place in very general terms. This is partly due to the fact that comparative policy is a field of political scientists whose prime interest lies with the formal institutions of government and not so much with the policy process and its dynamics or the characteristics of the policy sectors in which policies are implemented. When discussing the effectiveness of policies, these things are very important. Studies of the policy process have revealed the very complicated processes that surround policy design, decision-making and implementation (Lindblom, 1979; Kingdon, 1995). These processes are partly governed by informal institutions that are not found in Lijphart's models. Lijphart's models also focus solely on the institutions at a national level, making no distinction between different policy sectors. Even though, institutions at the level of the policy sector play an important role especially in the implementation of policy. Students such as Pressman and Wildavsky (1973) have shown long ago that policy implementation is a crucial step in the success or failure of policy. Implementation in the end depends on the actions of actors in the policy sector. If they choose to ignore policy-instruments or regulation, "great hopes in Washington are dashed in Oakland".

Lijphart's understanding of policy and actual change was based on the assumption that policy change in majoritarian models is faster than in consensus models. This assumption is not completely uncontested in studies politics and policy. To provide some insight into alternative mechanisms that affect policy change two prominent examples are rendered here.

A first mechanism was highlighted by Hemerijck and Visser (1997). They pointed out the importance of trust that can be built up in networks of actors in corporatistic networks, i.e. networks in consensus systems. One of the results of ongoing meetings and negotiations inside such networks is that actors get the chance to slowly build up trustful relationships. In his work on the 'Dutch miracle'[2] Hemerijck explained the possibility of dramatic changes within such networks as a result of high levels of trust.

[2] The successes of the country in the 1980s and 1990s in restructuring the welfare state and revitalising the economy have been attributed to the high levels of trust built up between the state, employers organisations and unions. This has resulted in the 'Treaty of Wassenaar' where co-operation of the unions to moderate wages was 'traded' for a promise of the employers of a general reduction in labour hours. The government in its turn has lowered the taxes for both employers and employees every year since 1984. This co-operation, so called the polder model, is most obvious in the field of labour policy, but it can be found in any Dutch policy field. (Hemerijck & Visser, 1997)

A second important mechanism was developed by Pierson (1992). Although the work of Pierson referred to here focuses on retrenchment policies, there are elements of his works that are more widely applicable. His work is also applicable to policies that are negatively received by the sector in which they are to be implemented. His basic argument was that horizontal and vertical integration of state power (as can be found in majoritarian state models) in general facilitates policy change. For policy changes with (potential) negative consequences for actors in the policy sector the situation is more ambiguous. In highly integrated systems not only power, but also accountability is concentrated. This concentration of accountability means that governments in majoritarian models are vulnerable to criticism whereas governments in consensus models have less to fear in this respect. They can always hide behind the fact that policies have been created by a great number of players and obfuscate their responsibilities.

Although these two mechanisms are not elaborated in great depth here, they return in the final concluding chapter when the results of the empirical analysis in the next part are interpreted in the light of the theoretical framework built up in this chapter.

2.5.2. Change in higher education institutions: de-coupling

In this study the impact of state models is complemented with the impact of different characteristics of organisations in the policy network. One of the most important is the pervasive tradition of autonomy. Academic autonomy is highly valued at all levels of the higher education system: the higher education institution, the chair and the individual academic. This means that in each relationship (government – higher education institution, higher education institution – chair and chair – individual academic) interventions are likely to be resisted as these are perceived as infringing on autonomy and therefore illegitimate. Sure enough, in institutions for higher professional education there is a professional desire for autonomy as well. However, as stated before this desire is less central to the values of the higher professional education institutions and less ingrained in the organisational structure.

The pervasive and ingrained value of autonomy means that universities are inclined to resist government interference. Moreover, universities have the ability to resist government interference as well. The concept of de-coupling is central to understanding this. De-coupling can be defined as symbolically complying with government policies,

while in fact maintaining the original patterns of behaviour inside an organisation (Oliver, 1991).

The university's organisational characteristics facilitate de-coupling in two ways. First, the de-centralised and fragmented nature of universities increases the amount of veto points in the organisation. Within the university government interference can be blocked on many different levels. Each veto point provides an opportunity for actors within the organisation to formulate internal policies in reaction to government policies, which symbolically comply but in fact maintain the status quo.

Secondly, de-coupling is facilitated by information asymmetries. In the case of universities the state lacks full information on the internal processes. Universities are more difficult to monitor for central governments than higher professional education institutions. This is due to the academic teaching and research that universities do not only perform, but are also the sole specialists on. A Ministry of Education could never duplicate the expertise of the university sector. The fact that governments have only a vague notion of what goes on inside universities makes it easier for them to get away with symbolic compliance.

2.5.3. Policy networks, policy change and actual change

The effects state models and types of higher education institutions on the policy process gives an indication of the impact these variables may have individually. However, this study looks at the interaction between the two, in shaping policy networks and at the additional effects the interaction creates. Returning to the four policy networks defined earlier, the theoretical assumption is that each of them has its own typical dynamics in terms of policy change and actual change.

University- consensus policy network

The combination of the consensus model and university sector means that a de-centralised state system is combined with a very de-centralised (almost up to the individual level) policy sector. In such a system policy making involves many actors and negotiations. The consensus model with its collaborative style ensures that conflict levels will are low, but reducing conflicts and ensuring consensus takes time. Buffer organisations have a difficult task, they represent the sector but the sector is fragmented. The hyper-professional nature of the universities makes it imperative that there is some legitimacy among all key actors, by the time the measures are implemented. Without such legitimacy, implementation is frustrated. With legitimacy in place, the changes proposed in new policies face less opposition. The result is that although

policy change is slower, more actual change is expected inside the traditional universities in consensus state models.

University- majoritarian policy network
The majoritarian state model in combination with the university sector has a somewhat different dynamic. The sector is de-centralised, but the state is not. Buffer organisations are state organisations and respond to the desires of whoever is in command. Policy design and decision-making involve relatively few actors, often important policy changes are the result of some actors within the ruling party and think tanks surrounding it. The sector is simply confronted with these measures. Although conflicts can be expected as a consequence of the competitive style in the policy network, government ultimately decides due to its dominating position in the network. The initial stages of the policy process are fast and smooth but may in later stages be frustrated by academics that had no say in the process. Policy change in majoritarian models may be swifter, but in the context of universities the impact on actual change is expected to be limited. The difficulty in externally controlling the processes in traditional universities in combination with the lack of legitimacy of certain policies amongst the academics, thwarts actual change.

Higher professional education- consensus policy network
The consensus model combined with higher professional education institutions results in yet another policy process. The state is de-centralised but the sector is much more centralised than is the case in the university sector. Policymaking is still slow due to extensive negotiations. Buffer organisations, however, have an easier task representing the sector as they negotiate much more on behalf of the sector, reducing the complexity of negotiations and increasing the speed at which consensus is achieved. Once the central management of the institutions is committed to a policy, implementation is much less problematic than in universities. But in this network fewer policy changes are expected and therefore less actual change than in majoritarian models.

Higher professional education- majoritarian policy network
Finally, the majoritarian state model and the higher professional education sector together result in probably the fastest and smoothest policy process. High levels of centralisation inside the state make policy design and policy decision-making very quickly. The centralisation within in the higher education institution in combination with their greater orientation towards their environment (in which the state is important) makes policy implementation a smooth process. In this

context, governments may be more effective in creating actual changes within the higher education institutions due to greater control over them.

2.6. Hypotheses

In this chapter the concepts of the theoretical model (Figure 2.1), were elaborated on and the theoretical expectation concerning the relationships were presented. With these two covered, it is now possible to draw up a limited number of hypotheses that are tested in the empirical part of this study. The testing of this model requires three sets of hypotheses:

- The influence of state models and types of higher education institutions on policy networks.
- The influence of policy networks on policy change.
- The influence of policy networks on actual change.

2.6.1. Policy networks[3]

These hypotheses link the state models and types of higher education institutions to the policy network, as shown in Table 2.2. Although it is possible on a conceptual level to state that in the different networks different levels of change are expected, in terms of measurements it is very difficult to construct a scale on which the differences can be scored. To avoid the problem of creating such a scale all hypotheses are constructed comparatively.

- In majoritarian democracies the position of the cabinet is expected to be central, whereas in consensus democracies Parliament and intermediary organisations are expected to have a central position.
- In majoritarian democracies in both higher education sectors, policy networks are expected to be more pluralistic and less corporatistic than in consensus democracies.

[3] It will be clear that these hypotheses need to be sustained at least to some extent for the other hypotheses to be testable. In the context of discovery, this was established before setting up the rest of the empirical research. In the context of justification, the choice has been made to present all hypotheses in one go, for the sake of clarity.

- In university policy networks the position of higher education institutions is more autonomous than in the higher professional education policy network.
- In university policy networks de-centralised units of the higher education institutions are more autonomous than in higher professional education policy network.

2.6.2. The influence of policy networks on policy changes

The combination of the influences of state models and types of higher education institutions gives rise to four types of networks with different characteristics.
The hypotheses formulated test the assumption that these different networks have an impact on the amount of policy change in these policy networks. The argument behind the influence of policy networks on policy change can be summarised as follows.

University- majoritarian policy network
In this policy network everything depends on the role the state wishes to play. If it decides to quickly produce policies it can do so. First, because the (pluralistic) policy network is loosely connected and the state can isolate itself from the interference of intermediate organisations. Second, because in this network the cabinet plays a central role and is able to push through the policy changes it prefers. The autonomous position of the organisations in the policy network may, however, deter the state from interfering with the higher education institutions through policies.

Higher professional education- majoritarian policy network
In this policy network the same holds true as in the previous network, but there is less of a deterring effect of the autonomous position of higher education institutions in the policy sector.

University- consensus policy network
In this policy network the state is involved in a corporatistic and therefore tightly connected network in which intermediary organisations play a central role. Policy change is always negotiated between players in the networks and this limits the speed with which policy changes can be created. This is especially true in the situation of the university policy network in which the autonomous position of the universities requires the universities' agreement to policy changes.

Higher professional education- consensus policy network
The same holds true as before, but the dominant position of the state vis-à-vis the higher professional education institutions means that the state can forge policy changes easier. Roughly summarising these expectations, results in Table 2.4

Table 2.4 The relationship between networks and policy change

	Majoritarian	**Consensus**
University	Policy change: **	Policy change: *
Higher professional	Policy change: ****	Policy change: ***

Because there is no opportunity to construct a scale (the above matrix is for clarification only), the hypotheses are constructed so that they are compared one case against another.

- In consensus systems more policy changes are expected in the higher professional education sector than in the university sector.
- In majoritarian systems more policy changes are expected in the higher professional education sector than in the university sector.
- In university sectors more policy changes are expected in majoritarian systems than in consensus systems.
- In higher professional education sectors more policy changes are expected in majoritarian systems than in consensus systems.

2.6.3. The influence of policy networks on actual changes

As with policy change, the four policy networks are expected to result in different extents of actual change.

University- majoritarian policy network
Though governments can make swift policy changes in university-majoritarian networks, the number of actual changes is expected to be low. There are two reasons for this. First, the swift centralised policy changes mean that little legitimacy is built up during the policy process. Second, universities, for reasons outlined before, have the opportunity to engage in de-coupling strategies.

Higher professional education- majoritarian policy network
In this network high levels of policy change are combined with high levels of actual change. The centralisation of the network is extended to a centralised organisational structure of the higher education institutions. This facilitates the forging of actual change.

University- consensus policy network
Though the levels of policy change in university-consensus networks may be lower than in university-majoritarian networks, the levels of actual change are expected to be higher. This is a consequence of legitimacy that has been built up in the long process of creating policy changes and in which universities, often through intermediary bodies, were involved.

Higher professional education- consensus policy network
As with their counterparts in the higher professional education-majoritarian network, higher professional education institutions are centrally organised. This facilitates the implementation of actual changes in the higher education institution. However, since fewer policy changes are expected in higher professional- consensus network than in the higher professional- majoritarian network, fewer actual changes are expected as well. These expectations can be summarised in the following Table (2.5)

Table 2.5 The relationship between networks and actual change

	Majoritarian	**Consensus**
University	Actual change **	Actual change **
Higher professional	Actual change ****	Actual change ***

Again this can be framed in hypothesis that compare one situation against another.

- In consensus systems more actual changes are expected in the higher professional education sector than in the university sector.
- In majoritarian systems more actual changes are expected in the higher professional education sector than in the university sector.
- In university sectors comparable levels of actual changes are expected in majoritarian systems and in consensus systems.
- In higher professional education sectors more actual changes are expected in majoritarian systems than in consensus systems.

3. Research design and operationalisation

3.1. Research design

3.1.1. Methodology

Comparative political research takes several shapes, ranging from single country studies of a country different than that in which the scholar lives[4], to world-wide statistical research in which as many countries as possible are included (see for an overview Peters, 1998). This study lies in between these two extremes; it is an in-depth study of two political systems. Although there are definite drawbacks to focussing only on two countries, especially in terms of the possibilities for generalising the results, there are also important benefits. Focussing on two systems makes it possible to study the features of these systems as well as their consequences in depth. Moreover, using a theoretical model that is built upon the work of other comparative researchers presents an alternative way of generalising the results of this study (Yin, 1994).

In chapter two, several theoretical concepts were moulded into one model. In order to be able to benefit from this model one further step must be made. The theoretical concepts in the model must be linked to empirically observable phenomena; i.e. they must be operationalised. Hypotheses were developed in the last section of chapter two. Testing the hypotheses, at least in the strict Popperian sense, is impossible since in this realm of science there are no theories developed with the level of sophistication that allows for falsification. In this study the hypotheses function as a tool to link theoretical notions to the reality of which these theoretical notions try to make sense. The operationalisation of the hypotheses specifies this link between theory and facts. The intention of hypotheses and operationalisation is, first, to make sure that every step from theoretical notions to analysis can be criticised. The second is to structure the analysis and escape from simple storytelling.

To further escape from purely subjective interpretations several sources of information are triangulated. First, changes in laws and financial streams are analysed. This provides the most basic information on what has actually changed, stripped from all rhetoric. Second,

---

[4] It is questionable of course whether a single country case study is comparative at all, as Sartori states: "a scholar who studies only American Presidents is an Americanist, whereas a scholar who studies only French presidents is a comparativist. Do not ask me how this makes sense – it does not." (quoted in Peters, 1998, p 11)

secondary literature that discusses the changes in higher education policies and organisations provides further information, and a set of interpretations by different scholars. Third, the interpretation of key actors inside the higher education institutions is analysed. This source of information is absolutely relevant in the light of the famous Thomas dictum: "If men define situations as real, they are real in their consequences." (Thomas & Thomas, 1928, p 572)

3.1.2. Case selection and type of data used

The method employed in this study to test the hypotheses is a comparison of two countries that are comparable in many ways but differ as much as possible in their state models. In term of state models England and the Netherlands are compared. In Lijphart's work the UK[5] clearly lies in the majoritarian model of democracy whereas the Netherlands is a typical example of the consensus model[6]. Although Lijphart looked at the entire UK, in this study only England were looked at. There are various reasons for this. The most important is that as part of the devolution process in the UK, in each constituting Kingdom (England, Scotland, Whales and Northern Ireland) funding committees were created that quickly developed different policies. Therefore, including the UK as a whole in the study would be like performing a comparative study within a comparative study. Moreover, approximately 80% of the UK's population lives in England and most of the universities are located there as well.

At the level of the policy sector three types of actors are targeted: the State (minister/department and Parliament), the funding organisations and the higher education interest groups. Much higher education literature is available on these subjects. Therefore this part of the study takes the form of a secondary analysis of the existing literature.

Within both the Netherlands and England, the study focuses on four higher education institutions. In both countries two higher professional education institutions and two universities were selected.

---

[5] In this study the focus is on England, as higher education policies in Scotland, Wales and Northern Ireland are made with some autonomy. Lijphart, focussing on the level of states, takes the UK as his unit of research.

[6] In fact Lijphart, based on a factor analysis, distinguishes between two factors: one is the majority- consensus factor on which the UK and the Netherlands are opposites (with standardized factor scores of resp. 1.16 and -1.69), the other factor is the unitary versus federal factor where the UK is clearly a unitary state, but the Netherlands factor score is close to zero (scores resp. 1.56 and -0.06) (Lijphart 1984, p. 216)

The number of cases has deliberately been kept low. The purpose of this study is to develop an in depth case study of each institution, thus the number of institutions cannot be too high. The following higher education institutions were selected:

Table 3.1 Selection of institutional case studies

	Institutions of higher professional education		**Universities**	
England	University of the West of England	University of Central Lancashire	University of Bath	Lancaster University
The Netherlands	Hogeschool voor Economische Studies	Saxion Hogeschool IJselland	Universiteit Twente	Rijks Universiteit Groningen

The rationale behind this selection is that in each category there should be at least two higher education institutions, which preferably display variation in terms of background, location and size. For the universities, both Bath and Twente have a background in technology education at an academic level, whereas Groningen and Lancaster are much more traditional academic institutions. In the Netherlands the *Hogeschool voor Economische Studies* and the *Saxion Hogeschool IJselland* are an interesting contrast; until very recently the former choose to remain small and specialised and cater for a niche market, IJselland on the other hand choose to grow quickly through mergers and expansion. In England almost all former polytechnics have taken the growth strategy, both the University of the West of England and Central Lancashire grew tremendously in the last few decades.

Apart from these considerations, there is a more practical consideration for these universities as well. Seven of them have been part of a European Research Project (co-ordinated by CHEPS) that focused on the policies (and their implementation) that sought to strengthen relationships between higher education institutions and the economy. The data collected in these case studies is particularly relevant for this study.

Within each of the selected institutions respondents were selected in several key posts (managerial/ financial/ academic). In semi-structured interviews these respondents were asked about the type of institutions they work in and the changes in the organisational structure, financial management and external relationships at their institution.

Moreover, in each institution two study programmes that were established between1980 and 1995 (one in the 1980s, one in the 1990s) were selected and used as a case study within the case study. These case

studies were used to explore whether changes in structural characteristics were accompanied by changes in the way in which these study programmes were established. The selection criteria were whether the programmes are comparable (in terms of academic discipline and type of education) and whether there were individuals that had been responsible for the initiation of the programme that could be traced. The first consideration meant that, as much as possible, the focus was on the study programmes in the social sciences (because this is a field in which many programmes were established in this period). However, if the required individuals were unavailable a pragmatic choice was made for some other programme. Semi-structured interviews with respondents involved in setting up these study programmes, provided information on changes in the initiation, design and decision-making on new study programmes.

3.1.3. Time frame and measurement of change

To observe the kind of changes this study focuses upon requires a time frame that allows for these changes to emerge, develop and be implemented. There are two reasons for this. First, the policies that were examined in this study were not all established at the same time. Instead policies with regard to, for example, finance changed at several instances and all these changes are relevant in the context of this study. Second, the pace of change, especially the pace at which it is implemented or at least has effects on the institutional or individual level is slow (or at least the possibility that it was slow cannot be excluded). Of course, this necessity of a long period of study is restricted by practicalities. First, there is only so much that can be done within the context of a study. Second, material, but especially respondents' availability becomes more difficult as the period of study is extended back in time.

As was stated in the introduction, the interest of this study is with changes that came to the forefront in the early-1980s when massification and the necessity of budget cuts began to have a combined impact on higher education systems. The central thesis in this study is that in both countries this combined impact led to changes in policy as well as in the structure and behaviour of higher education institutions. The early-1980s are therefore the starting point of this research project.

To choose where, in time, this study should stop is slightly more difficult. The choice was made to study changes until 1995. There are two reasons for choosing this particular date. First, eschewing the very recent past reduces the danger of overestimating recent changes relative to earlier changes. While changes that happened twenty years ago are put in the perspective of those twenty years, changes that occurred in

recent years lack that kind of perspective. If this would only be the problem of the researcher it could perhaps be solved. But since interviews play such an important role in this particular research project, it is also the memories and interpretations of the respondents that need to be taken into account. The other reason to end in 1995 is more pragmatic. In the Netherlands in 1997 a major new law came into being that changed the administrative structure of universities. While earlier changes inside these institutions were at leas partly a result of choices within the institution, the introduction of this new law meant that in all universities an externally imposed new structure was implemented. To prevent this caesura in developments from interfering with the rest of the data, the data collection is stopped at that point.

The time period chosen, 1980 to 1995, poses no great problem in terms of comparability between the Netherlands and England. The introduction made clear that the policy changes in both countries were the result of similar economic problems and similar political ideologies. Broad similarities remained the case in both countries for most of the period 1980 to 1995.

Politically in both countries governments with a right wing agenda (the conservatives with Thatcher as PM and the CDA with Lubbers as PM) dominated most of the period. Only from the early-1990s to 1995 did left wing parties take over this dominant position. In terms of ministers for higher education, the Netherlands (with its coalition governments) saw ministers of different parties responsible for higher education. An interesting fact is the remarkable continuity in terms of the policies of these ministers, notwithstanding their different party affiliations.

Economically the situation of England and the Netherlands was also comparable. Both economies were confronted with similar economical problems in the early-1980s (see chapter one) and both sought solutions in similar directions. Both countries reversed the downward economic trend in the early-1990s.

To measure change, a 15 year time frame in itself is not enough. In order to handle the qualitative data as precisely as possible, two methods of looking at change were combined. In the first place a reconstruction was made of the process of change both in England and the Netherlands and in the eight case institutional case studies. This historical approach was complemented by comparing the situations in the early-1980s with the early-1990s. Two 'snapshots' were taken in those two periods. One before the most important changes in policies in England and the Netherlands took place, in terms of new laws and policies with regard to funding, quality management and the concept of

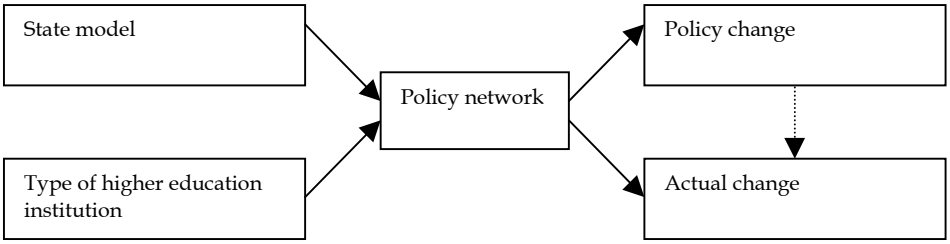
state steering. Another after these changes were already implemented and can be expected to have at least had some influence.

3.2. Operationalising the variables

In the previous chapter several theoretical notions were moulded into one theoretical model (see fig 2.1). In this model there are three types of variables that need to be operationalised (see fig 3.1).

- Independent variables: the state model and the type of higher education institutions.
- Intermediary variable: the policy network.
- Dependent variables: the extent of policy change and actual change.

Figure 3.1 Variables and relationships to be operationalised in this study



3.2.1. State models

The first independent variable is the state model. In this study, following Lijphart, two different types of state models are distinguished: the consensus and majoritarian state models. These types of state models can be operationalised using Lijphart's criteria (1984, 1999), which operationalise the majority and consensus democracy using ten indicators. His list of indicators includes issues like whether the country has a constitution and what type of electoral system the country has. Since the focus here is primarily on the institutional arrangements of the state, the policy sector and state policy sector relationships, four of the most central indicators were singled out for operationalisation.

The first set of indicators focuses on the horizontal spread of power, i.e. the spread of power inside the state. Consensus models are characterised by executive power sharing in grand coalitions (i.e. coalitions that include as many parties as possible) whereas majoritarian models concentrate executive power in a one party cabinet. Because the consensus model aims to include as many actors into the decision-

making process as possible it is logical that at the highest levels of executive power more than one party is involved. The most extreme forms of consensus models do not simply include enough parties to give government a majority in Parliament, but go beyond that and aim to include as many parties as possible. In practice, grand coalitions are rare and usually only occur under crisis situations like wars. The number of parties in a cabinet and especially the number of parties that are redundant from the perspective of gaining a majority do form an indication of the extent to which there exists a consensus model instead of a majoritarian model.

The second indicator also focuses on the state, but on the executive-legislative relationships. In consensus models there is a separation of powers both formally and informally. By contrast majoritarian models are characterised by a fusion of power and cabinet dominance. Since consensus models seek to maximise the number of actors participating in the democratic process, it favours a separation of powers between the executive and the legislative powers. This sounds paradoxical since in such a system where powers are separated the legislative power seems to be excluded from executive decision-making. However, a fusion of legislative and executive powers means that the executive dominates the legislative. This is so because it is usually the leadership of the parties that ends up in the government, making it possible for them to use their party leadership to control their party in Parliament. Though this may be true for a separated system, the separation of tasks is a barrier to the exertion of influence because Members of Parliament (MPs) have a different role in the policy process, most importantly to check the performance of governments. The power of Parliament increases if governments are coalition governments, since tensions between coalition parties can be used by other parties to drive a wedge in the coalition.

An important prerequisite for a coalition government is the existence of a multi-party, multi-dimensional party system: again an indicator for consensus models. Majoritarian models on the other hand are indicated by one-party, one-dimensional party systems. Multi-party systems indicate a consensus model since they allow more and different voices to be institutionally represented in Parliament and through coalition governments in government. Multi-dimensional party systems allow more and different issues to be institutionally represented in Parliament and government.

Of importance in this study is a second axis over which power is spread, the vertical spread of power. This has to do with state-society relationships. Consensus models are typified by territorial and functional federalism and de-centralisation while majoritarian models

have unitary and centralised governments. Again to include more actors in the democratic decision-making process it is important that different levels of government (i.e. different territories) and different subsets of society (i.e. functional de-centralisation) are represented in the decision-making process. It must be understood that this concerns formalised de-centralisation. In majoritarian models territorial and functional centralisation may be the case, *de facto*, but the de-centralisation is not formally institutionalised. As discussed in the theoretical chapter, this is expected to lead to different dynamics of interest representation. In the context of the higher education system, an indicator of a consensus system would be that governments give a select number of representative bodies a regular and formalised access to the decision-making process.

3.2.2. Types of higher education institutions

The second set of independent variables is related to the universities and the (former-) higher professional education institutions. Though these labels refer to names of actual higher education institutions in England and the Netherlands, they also refer to a set of characteristics of these higher education institutions. In chapter two it was argued that there are two different types of institutions and each is part of a different tradition. In terms of operationalisation, two characteristics are important as indicators: centralisation versus de-centralisation and a dominance of academics versus a dominance of managers.

Actual levels of centralisation and de-centralisation are surprisingly hard to measure. Basically it involves locating the power of those at the top versus those at the bottom of the organisation. Power is reputedly hard to measure (see Lukes 1974, for an excellent analysis). There are at least two basic methods of determining how powerful certain actors are and both have shortcomings. The first relies on reputation and argues that if other actors think an actor is powerful then that actor is in fact powerful. There is a lot to say for this method, most importantly that it is valid since it correctly takes into account the perceptions of others and it is true that perceived power can be used as actual power. There is a problem however. Actors give different answers about which actor they think is most powerful each time they are asked: that makes this method valid but potentially unreliable. The other method relies on the power resources actors possess, e.g. funding, knowledge formal position etc. This method is more reliable but unfortunately less valid. It neither takes into account the perceptions of other actors in the system nor the fact that some actors are more skilful in using their power resources than others. Nevertheless the second

method, if one takes into account its shortcomings, has the benefit of being straightforward and wins in validity if it is combined with an analysis of how negotiations were conducted.

Two sets of indicators are used to operationalise centralisation and de-centralisation: the freedom to spend funding at de-centralised levels and the freedom of decision-making at de-centralised levels.

Regarding funding the question is how much discretion over funding rests at de-centralised levels. The more discretion, the more de-central the institution is. A few indicators are relevant here. Are budget holders located at the central or de-centralised levels? Are the budget allocations fixed at the central or de-centralised levels? Can funding earned at de-centralised levels be spent freely at de-centralised levels or does some or all of the funding flow to the central level?

Concerning the freedom of decision-making at de-centralised levels, it can be stated that the more decision-freedom on the content of teaching and research at de-centralised levels, the more de-centralised the higher education institution is. The following questions serve as indicators: Are the contents of research projects and courses established at de-centralised levels? Is there a strong monitoring and control of content and quality of teaching and research at the central level? Is there a strong representation and consultation of de-centralised levels at the central level?

The second characteristic, of academic or managerial dominance, is again problematic because of the difficulties of determining power. But it is complicated too because the boundaries between academic and managerial roles are often blurred in higher education institutions. Especially in universities top managers were working as academics in their higher education institution and sometimes return to their academic jobs after fulfilling their 'tour of duty'. It is questionable to which category such managers should be assigned. It is therefore important to clearly separate academic and managerial roles, in order to distinguish between managers who are selected for their managerial qualities or managers who are selected on the basis of their academic record.

Two indicators of academic dominance emerge. First, the more management positions that are fulfilled by academics (i.e. managers selected for their academic record) the stronger the position of academics. This is especially true when management jobs are temporary and if academics fulfilling them return to their academic position after their managerial work. In these cases academics are 'raised' as academics and their longer-term interests remain academic not managerial. Academics yield power outside managerial positions as well. For example, if a Senate committee has important financial power.

Therefore a second indicator of academic power is academic influence outside managerial positions. This has two aspects. First, are academics involved in financial decision-making? Second, are academics represented and/ or consulted in decision-making as a group?

3.2.3. The policy network

Policy making takes place in networks and these networks can take different shapes, depending on the state models and the types of higher education institutions in the policy sector. The focus was on four characteristics of the policy network as defined in chapter two:

- Central position of cabinet, or of Parliament and intermediary organisations
- Pluralistic or corporatistic network
- Autonomous position of higher education institutions, or higher education institutions dominated by state
- Autonomous position of de-centralised units of the higher education institution or centralised higher education institutions

The second and fourth sets of indicators were already addressed in the operationalisation of state models and types of higher education institutions.

In terms of whether networks are pluralistic or corporatistic the indicators are to what extent are higher education institutions or their representative bodies involved in the policy making process? This goes beyond formal authority, as within the policy network there might be opportunities for higher education institutions or representative organisations to lobby at the cabinet, Parliament or other relevant policy making organisations.

Two sets of indicators are crucial with regard to the position of the state vis-à-vis the higher education institutions. The first focuses on funding, the second on formal positions.

Regarding the former the important indicator is how the flows of funds in the network run. Which allocation models are used by the state? Who is deciding on how the funding is allocated? How much autonomy do the higher education institutions have once the funding is allocated?

In terms of formal authority the indicators focus on the kind of decisions taken by which actors. Who creates, decides upon and implements policies? Who determines which study programmes may be offered by the higher education institutions? Who judges the quality of

those higher education institutions? How much autonomy do higher education institutions have to determine their institutional policies?

3.2.4. Policy change

It can be deduced from the number of rivalling methods that policy change is difficult to conceptualise. Most of the current conceptualisations (see chapter two) distinguish between changes on different levels. These levels range from fundamental change in the underlying values and worldviews of a policy, to small changes in the policy instruments that do not change the objectives of a policy.

In the context of higher education much has been written about the fundamental changes that the system has undergone. A number of labels were attached to these changes: from state control to state supervision, from state to market, from elite to mass higher education (see chapter two). All of these labels reflect the notion that fundamental changes have occurred in higher education systems around the world. In this study ideal types like these were not used. Instead, the focus was on the actual goals and instruments of government policy, avoiding the rhetoric surrounding those changes.

Growing market orientation, the introduction of markets or market-like elements, encapsulates a range of developments. Higher education institutions remain public institutions, funded largely by the state. A growing market orientation refers to a situation in which such institutions, albeit public, face similar incentives as private institutions in the market. Since markets are complicated 'market-like incentives' come in many forms. In the context of higher education the most important of these are changes in the funding of higher education institutions, changes in quality measurement and changes in the relationships between industry and universities. The first two are interrelated. A funding mechanism that is market oriented creates a financial incentive for institutions to be more efficient. For higher education institutions this is often interpreted as to take in more students for less funding. In such a model, universities lose part of their fixed income and are funded on per student basis (either entering or leaving the institution), where the funding per student represents the marginal costs for additional students or is at least set below the average costs per student. Universities in such a system have an incentive to enrol more students and be more efficient. There is, however, an important difference between normal markets and markets characterised by this funding regime in higher education. In markets, quality control is a matter for consumers who will switch to other

products if they are unsatisfied with the quality of a product. This is often impossible in higher education. Quality is difficult to measure for individual students and once students are able to discern the quality of their education they are well on their way in their studies and switching becomes costly. Therefore a market oriented funding regime is often combined with a quality assurance mechanism, so that efficiency gains do not come at the cost of minimum quality standards.

Funding and quality systems give institutions incentives to enhance efficiency and quality but there is another issue involved in the market orientation of higher education. Higher education institutions deliver a service to consumers, by teaching students, but they also deliver students to the labour market. In this market, industry is the consumer and students are (metaphorically speaking) the product. Since there is no direct payment made by industry to universities, no real market-like incentives can be introduced in this relationship. Governmental policies in this area have attempted to strengthen the relationships between industry and higher education.

Summarising, this study focuses on four areas of policy change. First, the shift from funding inputs and processes to funding based on outputs. Second, the way in which quality assurance systems operate and the extent to which they externally drive higher education institutions performance. Third, the autonomy of institutions to decide on which study programmes they wish to offer. Finally, the introduction of policies intended to stimulate higher education institutions to take into account societal demands, in their research and teaching.

A number of indicators can be used to identify key developments in each of these directions. Concerning the funding method, the following indicators apply.

- Have finance systems moved from earmarked funding to lump-sum funding?
- Are universities funded for the number of students studying at their institutions or for the number of students leaving the institution?

Regarding the second policy development:

- Is there a quality assurance system in the field of higher education?
- Is this system operated by the government or by the institutions themselves?
- Does the quality of an institute affects the funding it receives?

The third policy development can be operationalised with the following indicators.

- Can institutions design their own study programmes?
- Do institutions need government approval to start a new study programme?

The strengthening of relationships between higher education institutions and their environment can be operationalised by addressing:

- Have there been policies with the intention to strengthen the relationship between higher education institutions and actors in the environment of these institutions?

The more these types of policies are introduced by the governments of England and the Netherlands (i.e. the greater the number of policy initiatives and the further reaching these policies), the more policy change in a system.

3.2.5. Actual change

A central issue in this study is how universities have reacted to policy changes. The objective of the above outlined government policies was to create a different relationship between the higher education institutions and their environment. The idea is that higher education institutions, especially universities, used to be 'ivory towers' in which decisions on the content and structure of teaching and research were based on an evolving academic tradition. The policy changes in the 1980s sought to create higher education institutions in which the demands of the environment were taken into account. This was to provide research and teaching that were more relevant to societal needs. On top of this, there was also an efficiency objective in shaping higher education institutions as corporations and imposing market-like incentives to compel higher education institutions to become more efficient organisations.

The focus here is on the three developments. One is the organisational structure of the higher education institutions. The question is whether these structures have changed in order to grant central managers a stronger role. The indicators for this development are not much different from the indicators for power that were developed earlier (the next section deals with the way in which this methodological problem is resolved). First, have central managers gained formal decision-making powers compared to academics and are more of these central managers, non-academic managers? Second, have central

managers gained formal decision-making power compared to democratically elected councils?

The second is changes in the financial structure inside the higher education institutions in order to identify whether the idea of lump-sum funding and output financing were internalised in the higher education institutions. There are two indicators for this. First, has the discretion over the received budgets by central managers indeed increased? If the government policies of lump-sum budgeting and output steering intended to higher education institutions act as corporations, this should be one of the most important results. Second, a prerequisite for the policies to work is that the incentives that higher education institutions receive as a whole are translated to the level of individuals, since at the end of the day individuals make decisions not higher education institutions as a whole. A second financial indicator is therefore, whether there are internal systems of output-financing and lump-sum budgeting?

The third is higher education institution's openness to influences from the environment. Developments in presence of 'outsiders' within the universities were taken into account. In other words, are actors in the environment increasingly represented in the university decision-making processes?

All of these indicators are static and structural. To add a more dynamic element, a second way in which the changes in higher education institutions is operationalised focuses on the way in which study programmes are set up. The question is how and why these specific programmes were chosen. If academic traditions are overwhelmingly important the expectation is that academics and academic motivations will have determined the content and the structure of the study programme. If the demands of the environment were more important, managers, and external stakeholders will have been involved in the setting up of a new programme, motivated by arguments of external demands. This was operationalised in the following two sets of questions. The first set centres round the issue of who is involved in setting up a new study programme, are they academics, managers and/ or externals?

- Who initiated the study?
- Who designed the study?
- Who decided on the study?

The second set deals with the argumentation that was used to create the programme. The main issue here is whether the arguments used in the setting up of the study are based on academic traditions or external demands?

- Why was the study initiated?
- Which arguments were used for the specific design?
- On which grounds were the decisions to launch the study taken?

3.2.6. Separating the variables

The most important problem that must be faced is the separation of the independent and dependent variables. The state models and the types of higher education institutions are easy to separate. The same goes for these variables and the policy networks. Policy networks are the link between the state and the institutional level. Policy changes and policy networks are also clearly different concepts. Although the nature of these relationships depends in part on policies, the two can be analytically separated.

There is one problem, however, that cannot be dismissed easily and this is the relationship between the type of higher education institution and the actual changes within that institution. This is complicated because as can be seen above, elements that play a role in the operationalisation of the type of higher education institutions, like the level of centralisation, play a role in the operationalisation of actual changes inside the higher education institutions as well. Both types of higher education institutions show developments towards more centralisation but importantly, in terms of where this level of centralisation starts and where it ends, there is no overlap between the different types of higher education institutions. One could say they exist at different quantum levels. In terms of the independent variable what is relevant here is the 'bandwidth' (i.e. whether these higher education institutions are indeed at different quantum levels in terms of their levels of centralisation). The relevant dependent variable is the development within each higher education institution over time.

3.3. Summary of operationalised variables

To summarise the above, all variables and their indicators are presented in Table 3.2.

Table 3.2 Variables and their indicators in this study

Type of variable	Variable	Sets of indicators	Indicators
Independent	*State models*		• One or multi-party cabinet? • Influential Parliament? • Parliament entry point lobbying? • Limited number of privileged interest group?
	Type of higher education	*Level of centralisation (finance)*	• Location budget holders? • Decision on budget allocations? • De-central freedom to spend self earned funding?
		(content)	• Central decision-making on content-matters? • Strong central monitoring and control? • Representation of de-centralised levels?
		Academic dominance	• Managers selected for academic or management record? • Management jobs temporarily or permanent? • Academics involved in financial decision-making? • Academics consulted as a group?
Intermediary	*Policy network*	Central position of cabinet or Parliament and intermediary organisation	• (see state model)
		Loosely connected network	• Institutionalised position of intermediary bodies in the decision-making process? • Intermediary bodies interest groups or representing institutions in policy process?
		State dominant over higher education institutions	• How much autonomy do higher education institutions have to determine their institutional policies?
		Centralised higher education institutions	• (see type of higher education institution)

Dependent	*Policy change*	*Funding*	• Less earmarked and more lump-sum? • Less input and more output driven?
		Quality	• Increasingly linked to funding? • Increasingly controlled by government or higher education institutions?
		New study programmes	• Institutions increasingly free to design? • Institutions increasingly free to decide?
		External relationship	• Increasing number of policies to stimulate external relationships?
	Actual change (structural)	*Organisational structure*	• Financial decisions increasingly centralised? • Managers increasingly more power than democratically elected councils?
		Financial management	• Increasing central control? • Creation of Internal system of output financing? • Creation of Internal system of lump-sum budgeting?
		External relationships	• More external influence in decision-making?
	Actual change (new programmes)	*Actors involved*	• More external, non-academics involved in initiation? • More external, non-academics involved in design? • More external, non-academics involved in decision-making?
		Arguments involved	• More external non-academic arguments in initiation? • More external non-academic arguments in design? • More external non-academic arguments in decision-making?

With the presentation of a theoretical model and its operationalisation the stage is set for the empirical part of this study. The following chapters the focus is on the networks (chapter four), policy change (chapter five) and actual change (chapter six). Whereas up until now the focus was on theoretical expectations, based on theoretical assumptions, the focus now shifts to empirical situations, based on observations.

4. Policy networks

Four different policy networks were constructed in chapter two. The constructions are theoretical expectations regarding the relationships between actors in the policy network. This chapter puts those expectations to the test. It describes the four policy networks that can be found in the higher education sectors of England and the Netherlands.

The chapter follows the same logic as chapter two. First the 'real existing' state models in England and the Netherlands, in general and in the context of higher education are described. The focus then turns to the types of higher education institutions. To this end eight case studies were performed at universities and higher education institutions in England and the Netherlands (see appendix 2). These descriptions are the stepping stone to answering the final question, whether the interaction between state models and types of higher education institutions lead to four different policy networks.

4.1. State models in England and the Netherlands

As discussed in the theoretical part, consensus systems are characterised by coalition governments, a clear separation of powers between the executive and the legislative. By contrast, majoritarian systems have one party cabinets, combined with a fusion of power between the legislative and the executive powers, in which the cabinet dominates. These differences are referred to as the horizontal dimension of the state models, as they focus on the way in which the relationships inside the state are arranged. The vertical dimension pertains to the relationships between representative bodies and the state. In consensus systems, Parliament is of considerable importance. It is an important place where representative bodies can lobby for their interests while in majoritarian systems it is not. Also, more in general, consensus system are characterised by the fact that governments give a few representative bodies, a regular and formalised access to the decision-making process. By contrast, in a majoritarian system, there is a clear separation between government on one side and representative bodies on the other.

This section starts with a general description of the state models in England and the Netherlands. The horizontal and vertical dimensions are explored and special attention is paid to the role of representative bodies in both countries in the policy process, an area that is important when policy networks in both countries are discussed. Finally, this section focuses on the higher education system and discusses to what

extent the state models have an impact on the governance of higher education in these two countries.

4.1.1. The organisation of the state

In terms of the consensus – majoritarian dichotomy, the Netherlands is a clear example of a consensus system. It is characterised by coalition governments in which two or more parties work together to form a government. The formation of a government is often a lengthy process in which the parties create a governing contract (*regeerakoord*); a compromise based on the political positions of the parties joining the coalition. This compromise at the start of the coalition government is certainly not the last. During the period that the coalition governs, the parties need to find consensus on all issues that are not or only partially established in the governing contract. The parties also need to compromise on which individuals are appointed ministers and state secretaries in the cabinet. A typical arrangement that is important in the context of higher education is that a minister and a secretary of state in one ministry are not of the same political background. In a sense they control each other although the minister clearly has the ultimate formal authority.

This necessity of finding consensus between governing parties gives an important role to the coalition parties in Parliament. If one of the factions is dissatisfied with a particular consensus reached in government it might not support it and governments run the risk of not being able to pass legislation or even to destabilise the entire coalition. Factors like the proximity of the political positions, the number of coalition parties and on how tightly the coalition is organised (e.g. how much is laid down in the governing contract and how much co-ordination takes place between the coalition parties in Parliament and government) help determine the coalition's stability. The less stable the coalition the more room for other parties to play a role in providing governments with alternative majorities for its policies. This provides non-coalition parties with some power, albeit less than coalition parties.

The importance of the political parties in Parliament is increased by the fact that to a considerable extent cabinet and factions in Parliament function separately. Ministers in the Netherlands cannot be MPs at the same time and are often recruited outside Parliament. This provides Parliament with a function in its own right, acting as a check and a balance to government. Although the Netherlands is a Parliamentary democracy, in which the cabinet is, at least in theory, subservient to Parliament. The executive is *de facto* dominant because he has at his disposal a large body of civil servants that provide an

enormous resource in terms of manpower. In practice therefore both the executive tasks *and* the initiation of most of the legislation is the responsibility of the cabinet. Parliament has a task in monitoring and controlling government, although it sometimes does initiate legislation in its own right and of course has a right to amend all government legislation.

This consensus system in which power is spread horizontally stands in contrast with the English system of governance. England is characterised by a two-party system. Once Labour or the Conservatives have secured a majority in the House of Commons[7], they are able to form a single-party cabinet. This cabinet has a firm basis as it rests on an absolute majority in the House of Commons. There is in other words no need for the kind of consensus-making that characterises the Dutch coalition cabinets.

The cabinet members are also members of the House of Commons. This means that the leaders of the majority party in the House are also members of the cabinet, implying that the legislative and executive powers are merged and concentrated in the cabinet.

Cabinet power is increased even more by strong party discipline. Since party officials entering the cabinet, are also leaders of their party and thus control their MPs and thereby a majority in Parliament, this effectively means that cabinet governs almost unchallenged. Party discipline is highly developed. There is a system in which the 'Whips' see to it that on important issues all members of the party in the House of Commons vote along party lines. Voting against the party on important issues seriously damages the political career of the MPs involved.

A final difference is that the Dutch cabinet is to a certain extent dependent on the state bureaucracy. While, the cabinet in England is surrounded by a group of party officials, influential (party) think tanks and politically chosen top-level civil servants that feed information and policy proposals to the members of the cabinet. In short, cabinet and this group together (often referred to as the 'core-executive'), dominate policy design as well as political decision-making (Hood & James, 1994).

---

[7] The English Parliament is split in two 'houses' the House of Lords and the House of Commons. The people directly elect members of the House of Commons. Members of the House of Lords are partly hereditary and partly appointed by the Queen on advice of the Prime Minister. The powers of the House of Lords are limited, they can only legally delay legislation for one year and there is a convention that government Bills cannot be voted down twice. In practice therefore the House of Commons acts as Parliament.

4.1.2. The position of representative bodies

Of special importance in this study is the distinction between interest group plurality and interest group corporatism. Lijphart sums up the effects of the majoritarian model as follows:

> By concentrating power in the hands of the majority, the Westminster model of democracy sets up a government -versus- opposition pattern, that is competitive and adversarial. Competition and conflict also characterise the majoritarian model's typical interest group system: a system of free for all pluralism.(Lijphart, 1999, p.16)

By contrast consensus models have more organised forms of interest-group participation that are characterised by less conflict.

In terms of functional de-centralisation there is a strong position for organised interests in all stages of the policy process. Traditionally, the Netherlands delegates power to heavily subsidised private associations with important functions especially in the fields of education, healthcare and culture. This system of control used to be identified in terms of corporatism (Toonen *et al*, 2003).

The rise of these non-government organisations has started in the post-war period when there was a strong national consensus on co-operation necessary to reconstruct the damage done by the Second World War. In the Netherlands, this consensus on overriding national objectives became organised along the lines of 'pillarisation' (*verzuiling*). Representative organisations of different social groups (Roman Catholic, Protestant, Socialist and Liberal) started co-operating on a national level. They participated in all kinds of institutionalised consultation councils like the Social and Economic Council (*Sociaal Economische Raad*). Through their participation in these frameworks they began sharing the responsibility for the design and execution of government policies. Moreover, as a consequence of their operation on a national level the representative organisations became increasingly bureaucratic and a growing distance between the leaders of these organisations and their members ensued. The position of these organisations has become increasingly difficult, partly because of increasing distance between leaders and members. But also because of 'de-pillarisation' ('ontzuiling'), with the decreasing importance of both religion and ideology the internal structure of the pillars in which many different organisations were co-operating started to erode. The different organisations increasingly operated autonomous, which made consensus building much more complicated. Especially in the context of the unions the rise of new professions in the service sector was also problematic. The unions did not traditionally represent these professions, occupied by

higher education graduates. Their own representative organisations created conflicts in a once stable situation. Finally the welfare state with its increasing role for the state has reduced the influence of the non-state organisations (van Goor, 1989).

Notwithstanding the diminishing strength of corporatism in Dutch politics, non-state representative organisations still play an important role. In fact the successes in the 1980s and 1990s in restructuring the welfare state and revitalising the economy have been attributed to the high levels of trust built up between the state, employers organisations and unions. This resulted in the 'Treaty of Wassenaar' where co-operation of the unions to moderate wages was 'traded' for a general reduction in labour hours. In turn, the government has lowered the taxes for both employers and employees every year since 1984. This co-operation, so called the polder model, is most obvious in the sector of labour policy, but it can be found in any Dutch policy sector (Hemerijck & Visser, 1997).

In sharp contrast, corporatism in Britain, had always been rather weak (even before Thatcher was elected in 1979) and the system never functioned like the French system of strong concerted planning, the German negotiations between social partners (Brittan, 1971) or like the Dutch mix of pillarisation and corporatism. Liberal corporatism in Britain was intended to be "an arrangement whereby government and a series of peak organisations came together to plan the British economy" (Holliday, 1993, p. 308). Organised labour and business had equal representation on the National Economic Development Council (NEDC). This system was never really strong. First, because governments did not really intervene in economic processes. Second, because the interests organised in the NEDC were not able to ensure that decisions taken at the centre were abided by at de-centralised levels. Organised interests in Britain, especially the unions, lacked the kind of organisation necessary to make corporatism work.

However, even if the ideal-type of corporatism never really took hold in Britain, the system did have corporatistic elements. There were many interest groups with privileged access to the government like the groups represented in the NEDC, the British Medical Association, National Farmers Union or the University Grants Committee. Moreover there were many business and non-business groups that sought to promote certain general issues with the same privileged access to government (Holliday, 1993).

The few arrangements that might have had corporatistic elements in them were reduced in importance by the successive Thatcher governments. Trade unions for one were undermined by the Thatcher administration. On the one hand by reducing the legitimacy of

the unions by minimising contact and creating a more general anti-union climate. On the other hand by attacking unionism through legislation (making strikes more difficult) and by refusing to give in to demands in a long series of public sector strikes. These and other developments outside government (massive rise of unemployment, transformation of many industries from large scale to small-scale manufacturing) meant that when Thatcher left office trade union membership was down from 12 million in 1979 to 8 million in 1991. Moreover, during the late-1980s and early-1990s strike levels were the lowest in half a century (Holliday, 1993). Trade unions did not recover during the 1990s and Labour governments have not been more benevolent to the unions than the conservative governments.

Many interest groups lost influence as well. The British Medical Association (BMA) for example was refused its privileged negotiation position and had to resort to campaigning tactics to influence the government. At the same time, the Thatcher government increased its hold on other organised interests. In higher education, the government abolished the University Grants Committee (UGC) which had always been a bastion for the universities against government influence. The committee was subsequently reconstructed in the Higher Education Funding Committees for England, Scotland and Wales. Unlike the UGC, government controls the funding committees. Thus, while some organisations like the BMA were pushed back into the private sphere, others like the UGC were pulled inside the public sphere.

Not all organised interest groups lost influence. Some, like the Institute of Directors (IoD), a series of big interest groups in the financial sector and energy production, as well as the British Roads Federation (BRF) were even growing more powerful during the 1980s. This was due largely to the fact that these sectors were at the core of economic policy of this decade (Holliday, 1993). Holliday also argues that the government reintroduced limited interest representation in some policy sectors during the 1990s. Experiences in the 1980s showed that without interest group participation policy processes were not always effective. Government in the 1980s simply lacked the kind of information that interest groups could have contributed to the policy process. Moreover, the failure to co-opt interest groups meant that many policies lacked a degree of legitimacy.

4.1.3. The higher education policy sector

So far in this section the state models underlying English and Dutch policy-making have been discussed. The question is to what extent this

is important in the context of the policy-making in the sector of higher education.

On the horizontal dimension the important difference between England and the Netherlands is that in the former only one party is responsible for higher education policies, both in terms of leading the ministry and in terms of the underlying ideology of the party. An example of this in the context of higher education, are the changes that Keith Joseph, the first minister for education under Thatcher, set in motion. Joseph received most of his ideas from leading conservative think tanks that often had strong, if informal, links to the Conservative Party. First and foremost, the Centre for Policy Studies (that he had established together with Thatcher) but also the Institute for Economic Affairs and the Adam Smith institute (Hood & James, 1994). In the Netherlands such strong ideologically based policy making is impossible. First because, policies need to be in line with the positions of all coalition parties. Since, the minister and state secretaries responsible for education are always of different parties. Second, the greater degree of power sharing between the cabinet and Parliament means that there is a second check on the acceptability of policies for all parties, though predominantly the coalition parties. Finally, the absence of a strong core-executive means that the cabinet is to a greater extent dependent on input by civil servants from the Ministry of Education.

On the vertical dimension the main difference between England and the Netherlands is the position of representative groups in the policy process. In the Netherlands groups representing the interests of universities and the HBOs are much more involved in the policy process then their counterparts in England. Moreover in the Netherlands parties in Parliament are important actors for higher education institutions in the lobbying process, this is to a much lesser extent the case in England, where effective lobbying attempts must to a greater extent be aimed at the cabinet.

4.2. The nature of higher education institutions

The case studies provide a wealth of information with regard to the nature of the individual higher education institutions. This section looks at three indicators to assess the type of higher education institutions. First, it looks into the level of centralisation of financial decision-making (Table 4.1). Second, it looks at the level of centralisation with regard to decision-making over the content of research and education (Table 4.2). Finally, the section addresses the level of discretionary power of academics (Table 4.3). Note that in all the tables the institutional case studies of the universities both in England and the Netherlands and the

higher professional education institutions are displayed side by side. This is deliberately so, as the intention of this section is to show that there are two different types of higher education. This means that there should be less difference between higher professional education institutions in England and the Netherlands than between higher professional education institutions and universities in one country.

4.2.1. Level of centralisation of financial decision-making

The level of centralisation of financial decision-making (Table 4.1) is operationalised by looking at who the budget holders are, who decides on budget allocations and what is done with de-centrally earned funding.

In terms of their budget holders all universities, both in 1980 and 1995 were de-centralised. Funding that was received centrally was in some way or another devolved to de-centralised units in the organisations. In the Netherlands budgets both in universities were de-centralised to the level of the faculties, where the Faculty Executive Board was a collective budget holder. In England the heads of departments were budget holders. Although this may seem to imply that budgets are more devolved in the English institutions, some cautionary remarks must be made. In the English universities, examined here, faculties were only introduced during the 1990s. In Bath this was done only in 1997 while in Lancaster faculties were created but this did not take away the budgetary rights of the departments. Before faculties existed therefore one could argue that the universities in both countries were equally de-centralised; both devolved budgets to one level below the Executive Board. A second cautionary remark is about the comparability of faculties in different universities. Looking at their size, the departments in Bath and Lancaster are comparable in size to the faculties in Twente. Groningen, which is a much larger university than the other universities in this study, has faculties of a much larger scale. In that respect, the level of de-centralisation as seen from the top is most comparable in Bath, Lancaster and Twente.

In the higher professional education institutions a somewhat different pattern emerges. All these institutions, up until the mid-1980s, were under control of the local or central state authorities and had very little financial autonomy. Personnel were either on the payroll of the national state or of the local authority. Other expenditures could be made on a subsidy basis. This meant that funding could only be spent after the national or local authorities agreed. In the Dutch situation, there was also a board of trustees with a treasurer that needed to sign off on most of the expenditures. For what little autonomy rested with the

higher education institutions there was a director that was responsible for financial decision-making.

In the mid- to late-1980s some profound changes occurred here. All four higher education institutions were made autonomous from the national or local authorities and had to set up their own (financial) management. This was done in a much more centralised way than the universities. At UWE, Central Lancashire and IJselland funding was devolved to the deans and Heads of services. Compared to the English universities where funding was devolved to the departments this is an obvious difference. Above the comparability of the faculties in Twente with the departments in Bath and Lancaster was already discussed. In terms of size and the size of the units operating under the level of the faculty these faculties are comparable to Groningen. However, where in Groningen the faculty devolves budgets to the *vakgroepen*, at UWE, Central Lancashire and IJselland budgets are not really devolved (apart from some minimal budgets for consummates). Moreover, financial decision-making takes place in a small group that is formally united in a directorate (IJselland and Central Lancashire) or where financial decisions are made in one-to-one deals with central management (UWE). At the HES, a much smaller higher education institution, the Executive Board itself remained the budget holder.

When looking at the ways, in which budgets are allocated, a similar picture emerges in Groningen and Twente. The Executive Board and the University Councils, jointly, decide on the way in which budgets are allocated. The only development that has occurred is a move from allocation mechanisms based on allocations in the past to budget allocations based on a model. This has changed the nature of the relationships between the Executive Board and the University Council. In the past budget allocations were often politicised, with long debates in the University Council on the exact size of faculty and other budget. Since the mid-1980s an abstract model is thought through by the (offices) of the Executive Board and the University Council needs to decide on the model, not on the exact budgets. In Lancaster the situation is similar but here, instead of the University Board at large, the finance and general purposes committee have a large say in the allocation of budgets. However, here too a shift is evident from historic allocation to a model based allocation. In Bath the same development took place but without much influence by either the University Board or any specific committee.

In the institution for higher professional education up until the end of the 1980s the local or national authorities decided on the budget allocation. When the higher education institutions gained their autonomy, central management decided upon budget allocations, which

could take several forms. Allocation decisions were taken by the Executive Board (HES), by the Executive Board in combination with one-to-one deals with individual deans and heads of services (UWE) or by a directorate that included both the Executive Board and the deans and heads of services (IJselland and Central Lancashire).

A sometimes important portion of total funds does not flow into these higher education institutions through the central levels but is earned directly through the activities of de-centralised units. In all universities, in this study, this funding may be freely to spend by de-centralised units that earned it, but part of it is sliced of for institutional overhead. In the higher professional education institutions no funding was earned at de-centralised levels. These were schools that catered to regular students. After the changes in the late-1980s, funding earned at de-centralised levels increased somewhat but were modest amounts relative to total budgets (at least in the period under study). For what is earned the same system is used as in universities: de-centralised units are free to spend their funding but a percentage is for institutional overhead.

In conclusion (see Table 4.1), it becomes clear that there are indeed significant differences between universities and higher professional education institutions when looking at financial management. First, the budget-holders in these institutions had a much more centralised position. Second, when it comes to decisions on the allocation of funds, in universities representative councils like the University Council or the Senate played a much larger role than comparable bodies in higher professional education institutions. Third, types of higher education institutions used a similar system for handling de-centrally earned funding. There was, however, much more funding earned de-centrally in universities and this gives de-centralised units in these institutions much more autonomy vis-à-vis central management.

Table 4.1 Qualitative scores on the level of centralisation of financial decision-making

	Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Who are budget holders?								
1980	Heads of departments (new staff VC)	heads of departments	Faculty executive boards	Faculty executive boards	Local authority/ Director	Local authority/ Director	State/ board of trustees/ director	State/ board of trustees/ director
1995	Heads of departments (new staff VC)	heads of departments	Faculty executive boards	Faculty executive boards	deans and heads of services	deans and heads of services	Executive board	Directors of Faculties
Who decides on budget allocations?								
1980	Central level (at own discretion)	Central level (extensive committee structure)	Executive board and University council	Executive board and University council	Local authority	Local authority	State/ board of trustees/ director	State/ board of trustees/ director
1995	Central level (based on model)	Central level (extensive committee structure)	Executive board and university council	Executive board and University council (but based on model by bureau for financial and economic affairs)	Centrally established formula and one –to-one deals between Central management and deans	Directorate (staffing: Dean and Pro-Vice Chancellor	Executive board	Directorate (based on model)
What is done with de-centrally earned funding?								
1980	Free but taxed by centre	Free but taxed by centre	Free but taxed by centre	Free but taxed by centre	No funding earned	No funding earned	No funding earned	No funding earned
1995	Free but taxed by centre	Free but taxed by centre	Free but taxed by centre	Free but taxed by centre	Free but taxed by centre	Free but taxed by centre	Very little funding earned	Very little funding earned

4.2.2. Level of centralisation of discretion over content

Financial resources are only a part of what an institution of higher education is about. Very important is the way in which the content of what is taught at the university is decided upon. The focus is on three issues here (Table 4.2). Who decides on the content of courses? How is monitoring and control of the quality of teaching organised? And, how are the people that have to transfer the actual content to the students represented in the management of the higher education institutions?

Central influence on the content of courses was very limited in all higher education institutions in 1980. For universities this remained the same by 1995. In some of the higher professional education institutions, by 1995, there was more central involvement when new courses were established (especially Central Lancashire and IJselland). However, this was more about the strategic positioning of such a course than the actual content and therefore left a lot of autonomy to teachers in these higher education institutions.

In 1980 there were no formal quality assessment or quality assurance[8] systems in any of these higher education institutions. This changed as a consequence of state-requirements in 1995. All higher education institutions were facing quality assurance systems that were run by organisations outside the institution and that compared similar subjects taught in different universities. There was, however, a difference in the way in which universities and higher professional education institutions responded to these quality assessments.

In all universities the quality assessments were de-centrally organised, which meant that self-evaluation reports were written by the units under evaluation and that these units communicated directly with the external evaluation committees. Only in Bath there was a movement towards more central support for the evaluation process. One explanation for this is that Bath, was a very small higher education institution and highly depended on the excellent scores it received in the late-1980s and was therefore investing to keep up those scores.

In the higher professional education institutions the picture is more mixed. IJselland and Central Lancashire organised the evaluation process much more centrally. In Central Lancashire this led to some

[8] The difference between assessment and assurance is more than just a word game. Assurance systems aim to improve the quality of teaching by monitoring it and by stimulating internal concern for the quality of teaching. Assessment systems merely assess the quality of teaching where a certain assessment could be linked to financial or legal consequences. The difference is important as well because the Netherlands chose for a quality assurance system, where England chose for an assessment system.

conflicts between teaching staff and central management. At UWE the national quality assessment was de-centrally organised ('accountable diversity' is the term used by one of the respondents) but these quality assessments were supplemented by internally organised thematic reviews. These thematic reviews were organised because central management deemed particular themes important; the information flowed directly in the planning process. Finally, the HES was the only institution that claims that in 1995 it was still only minimally working with quality assessment. One of the reasons might be that from the early-1990s onwards it was involved in a complicated re-organisation and had other priorities.

In 1980 the situation with respect to the representation of de-centralised levels of the organisation in the central decision-making processes was still clear. The universities had Senates (in England) or University Councils (in the Netherlands) that played a role in the decision-making. By contrast, English polytechnics had no central body to represent staff. In the Netherlands the *Hogescholen* had advisory bodies with a rather weak position.

In 1995 this situation is somewhat different. In the universities the position of the Senate and the University Council are weakening. Most respondents contribute this to the growth in complexity of decision-making in universities and the information advantage managers have over the members of the University Council and the Senate that can only spend a fraction of their time on these matters. The exception seems to be Lancaster, where the Senate has become less important but where the finance and general purposes committee and the appointments group (two committees with academic representation) are still of key importance.

In higher professional education institutions the situation in 1995 changed in the opposite direction. In Central Lancashire and UWE Academic Boards were installed, at the HES and IJselland the existing advisory councils were professionalised. These developments do need some qualifications. Both in Central Lancashire and UWE respondents were outspoken about the fact that the academic boards did not play a very important role in decision-making. The central managers and the deans made decisions in both institutions; not the Academic Board or committees attached to it. Both in Central Lancashire and in UWE respondents made a distinction between the executive organisation, of managers, and the deliberative organisation of committees. In both higher education institutions it was clear that the executive organisation dominated.

In the Netherlands the advisory bodies at the HES and IJselland were professionalised. The members were, in 1995, trained for their

functioning on the council. As a consequence they played a larger role in the organisation. This role was limited, however, as the members were mostly concerned with matters of personnel management and health and safety regulation on the job.

When studying the decision-making on content matters, like in the case of financial management, clear differences emerge. In all these higher education institutions, the content of courses was established by the academics/ teachers involved. But, by 1995, it was clear that central management at UWE and IJselland was more involved in the kind of new courses that were set up. This development is not seen in any of the universities. When looking at quality assessment or assurance systems, an even clearer picture emerges. In all universities assessments were de-centrally organised. By contrast, in Central Lancashire and IJselland they were centrally organised and in UWE they were complemented with centrally organised thematic audits. Looking at the representation of academics and teachers at the central level, it is clear that these bodies were stronger in universities than in higher professional education institutions. This was certainly true in 1980, but even in 1995, although these bodies have been weakening in universities and created or professionalised in higher professional education institutions.

Table 4.2 Qualitative scores on the level of centralisation of discretion over content

	Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Who decides on content of courses?								
1980	Central influence is limited	De-centralised levels	Central influence is limited	De-centralised levels	Central influence is limited	Central influence limited	Teachers/ *Vakgroep* chairman	Teachers
1995	Central influence is limited	De-centralised levels	Central influence is limited	De-centralised levels	Central influence has grown	Central influence limited	Teachers/ *Vakgroep* chairman	Teachers, but larger central influence
Who is in charge of quality system?								
1980	Quality system is informal and de-centralised	Quality system is informal and de-centralised	Quality system is informal and de-centralised	Quality system is informal and de-centralised	Quality system non existent	Quality system non existent	Quality assessment insignificant	Quality assessment insignificant
1995	Limited central influence but growing central support	De-centralised quality assessment	Quality system is de-centralised	Quality system is de-centralised	De-centralised quality assessments and central thematic assessments	Centrally organised quality assessments	Quality assessment insignificant	Intensive central quality assessment
Is there representation of de-centralised levels at the central level?								
1980	Senate	Senate with Extensive committee structure	University Council	University Council	None	None	Advisory council	Limited role of advisory council
1995	Senate is weakening, Policy-board is not allowed to function	Senate with extensive committee structure	University Council is weakening	University council is weakening	Academic board is not very strong	Academic board is weak and often ignored	Advisory council, more influence because of reorganisation	Increasing role advisory council due to professionalisation

4.2.3. Discretionary power of academics

This section deals with the level of discretionary power of academics (Table 4.3). In this respect, three questions are important: whether managers are professional managers or academics, whether managers are permanently appointed or are rotating and finally whether academics are directly involved in financial management.

All managers, in all higher education institutions, in both periods were (former) academics or teachers. From this perspective there were no real differences between universities and higher professional education institutions. There were, however, some more subtle differences. At UWE, Central Lancashire and IJselland respondents stressed the importance of the managerial skills. In Groningen a lot of stress was put on the fact that all managers were professors from Groningen and that this explained the harmonious management style of the institution. In Lancaster and Bath there was a lot of stress on the academic excellence of the central managers and the deans.

The big difference between universities and higher professional education institutions in this study is whether their managers were permanent or only for a limited period of time. In all universities both in 1980 and in 1995 most managers, with the exception some members of the executive board in the Netherlands and the Vice Chancellors in England, were employed for a limited period.

In the English polytechnics examined, heads of departments in 1980 were temporary managers but by 1995 all managers were in permanent positions. In the Dutch HBOs in 1980 the director was a permanent position and de-centralised managers were teachers with a part time responsibility for management. In 1995 all managers were permanently employed as managers.

The eight case studies show that in none of the higher education institutions apart from Lancaster, where the finance and general purposes committee plays an important role, there was real direct influence of academics on the financial management of the institution. This was the case in 1980 and in 1995, apart from their role as academic managers of the institutions.

There are subtle differences, however, between the higher education institutions and the universities. The first is the role of representative bodies in financial decision-making. In 1980, the higher professional education institutions themselves had very little autonomy in terms of financial management; national and local authorities decided on all important financial issues (most importantly they paid the salaries). By 1995 these institutions had gained much more autonomy, but this did not mean that academics and teachers had a larger say in

financial management. What has been stated about the academic boards and the advisory councils applies here as well, they were either weak (in England) or not focused on financial management (in the Netherlands). In the Dutch universities in 1980 academics had some say in financial decision-making through their role in the University Councils. In Lancaster the strong position of the finance and general purpose committee has already been discussed. Bath is an odd case here, as it had at this time a very strong registrar that dominated the financial decision-making. By 1995 the picture had changed slightly. In Twente, Groningen and Bath there was still influence by respectively the University Council and Senate, but neither was very strong. In Lancaster the finance and general purposes committee retained a strong position in the financial management of the university.

There is a significant difference between the type of managers involved in financial decision-making. In the universities they were academics that became managers for a short term, while in the higher professional education institutions they were permanent managers.

To sum, looking at the discretionary power of academics, almost all managers in these eight institutions were (former) academics or teachers. However, there was an important difference between universities and higher professional education institutions. In the former, managers were academics appointed for a limited period of time, in the latter managers were on permanent positions. In terms of their involvement in financial management academics had a fairly weak position in all eight institutions, although in universities, academics had a stronger management role in general and they wielded some (albeit reduced) power through their role in representative bodies or committees.

Table 4.3 Qualitative scores on the level of discretionary power by academics

	Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Are managers academics or professionals?								
1980	All managers are academics	All managers are academics	All managers are internally recruited academics	All managers are academics	All managers are academics (but limited influence)	All managers are academics (but limited influence)	Managers are former teachers (but limited influence)	Managers are former teachers (but limited influence)
1995	All managers are academics	All managers are academics	All managers are internally recruited academics	Almost all managers are academics	Managers are academics management skills required	Managers are often academics	Managers are in general former teachers	Managers are in general former teachers
Are managers permanent or temporary?								
1980	Managers with exception of VC temporary	Managers with the exception of VC temporary	Central level no rule for period/ deans temporary	Central only Rector temporary/ De-centralised managers temporary	Director is permanent heads of departments temporary	Director is permanent, heads of departments temporary	Managers are permanent	Managers are permanent
1995	All managers with the exception of VC temporary	All managers with the exception of VC temporary	On central level no rule for period/ deans time in office depends on size faculty	Central level only Rector limited/ de-centrally all managers temporary	Managers are permanent	Managers are permanent	Managers are permanent	Managers are permanent
Do academics influence financial management?								
1980	Non academic Registrar very powerful	Finance and general purposes committee	Academic dominate management	Academic dominate management	No (local authority)	No (local authority)	No	No
1995	Senate committee weak, little influence	Strong finance and general purposes committee	Academics dominate management in general	Academics dominate management in general	Financial influence, university board is weak	deans (managers) dominate	No	Very limited, teachers focus on teaching

4.3. The network and its characteristics

Chapter two discussed the need to look beyond state models by taking into account policy networks, organisations in the policy sector and policy processes. The policy network serves to bring together the concepts of state models and the characteristics of the higher education institutions as well as being the context in which the policy process takes place.

Since the research in this study focuses on educational matters and not research, a limited number of organisations must be included in the analysis of the policy network. This chapter charts the position of funding-bodies (those relevant for teaching), advisory councils and the main interest groups and their relationship to the state. In England this includes the Universities Grants Committee (UGC), the Universities Funding Council (UFC), the Colleges and polytechnics Funding council (CPFC), the Higher Education Funding Council for England (HEFCE), the National Advisory Body (NAB), the Council for National Academic Awards (CNAA), as well as the Committee of Vice Chancellors and Principals (CVCP) and lobby groups like the Russell group. In the Netherlands it includes the positions of the Academic Council, the Educational Council, the Society of Universities (VSNU), The Council of Higher Professional Education (HBO Council) and the Advisory Committee for Programme Supply (ACO).

4.3.1. The university- consensus policy network

State steering with regard to the universities in the 1980s was notably directive. Universities were almost fully funded by the government. Funding was allocated on a lump-sum basis, but universities could not use funding allocated for personnel (the most significant part of the budget) for other purposes (see financial developments). Moreover, the universities internally translated the national allocation model, so that *de facto* the autonomy in financial decision-making was limited. The early-1980s were also characterised by several large planning operations. The operation Task Distribution and Concentration (TVC, Min v. O & W, 1982) set out to stimulate co-operation between similar disciplines in different universities and to concentrate research in certain universities. Selective Shrinkage and Growth (SKG, Min. v. O & W, 1986) was yet another means to control costs. Certain study programmes were abolished and other programmes were forced to co-operate. Although these operations were discussed with universities in the design stage, they were implemented from the top-down, based on the idea that

through rational central planning a more (macro) efficient higher education system could be created.

Universities were free to decide on the content of their study programmes but for new programmes they needed ministerial approval, only given after a positive advice from the Education Council and the Academic Council. The Education Council was an advisory council of the government on general matters of education and pedagogy. In 1980 it consisted of 80 members all appointed by Parliament. Although members were appointed on the basis of their personal qualifications, there was a strategy to make the council reflect social diversity.

The Academic Council was established in 1960 in the law on university education (Wet op het Wetenschappelijk Onderwijs, WWO). Its main objectives were to stimulate co-operation between the universities as well as to further the adjustments of academic education to developments in the disciplines and society. The Council was expected to advise the minister, bring together the developmental plans of the universities and report regularly on the development of higher education. In practice the Council focused on it advisory role. The council consisted of ten members appointed by Parliament and three representatives (amongst whom the Rector) of the universities (Huisman, 2003).

In the mid-1980s the shape of these policy networks changed. The single most important development for the relationships between the state and both universities and HBOs was the HOAK (Higher Education Autonomy and Quality) paper. With HOAK the Ministry of Education & Culture introduced a new vision on steering. The Ministry pledged more autonomy to higher education institutions, especially with respect to the study programmes they could offer. The paper also spoke of a more output oriented funding model for higher education institutions (compared to the existing input oriented funding) and finally about a quality assurance system (all of these elements are dealt with in more detail in the next section of this chapter). Although the HOAK paper itself was quite radical, the implementation proved to be more moderate. On the one hand universities did receive more freedom regarding the spending of government budgets, the administrative and financial control over the buildings and the appointment and management of staff. On the other hand the universities were never received the power to validate their own study programmes. For a time government allowed more new study programmes. In 1993, however, after an intervention by Parliament, this opportunity was blocked. A special advisory committee for the supply of study programmes (ACO) was created that advised higher education institutions on all new study programmes on the basis of whether these new programmes were

macro efficient. Without a positive advice from the ACO no new study programme would be accepted by the minister. In effect this removed autonomy from the university sector, since before that the Academic Council and later the VSNU (the Association of Universities in the Netherlands) had been giving this advice, leaving it in the hands of the representatives of the universities themselves.

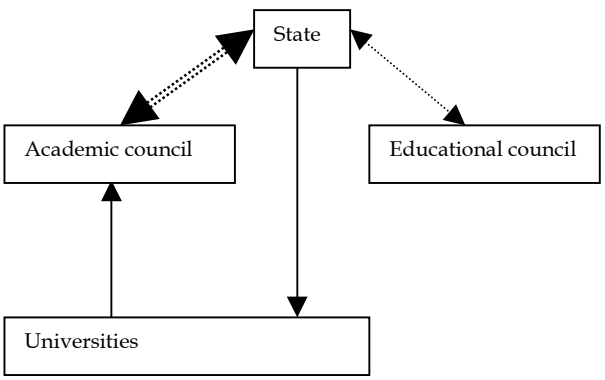
The position of the Academic Council also changed during this period or rather it was abolished and replaced with the VSNU. The VSNU in contrast to the Academic Council was not mentioned in the law and did not have members on it appointed by Parliament. Instead it was a representative organisation of the universities whose main objective was to strengthen the position of academic research and education. Its two main tasks are to lobby for the interests of the universities within the cabinet, Parliament, the ministry and societal organisations and to act as the employers' organisation for the universities, negotiating with the state and the unions.

Inside the universities the organisational structure in both periods was characterised by high levels of de-centralisation, in terms of decision-making on content and finance and also by high levels of discretion for individual academics compared to higher professional education institutions.

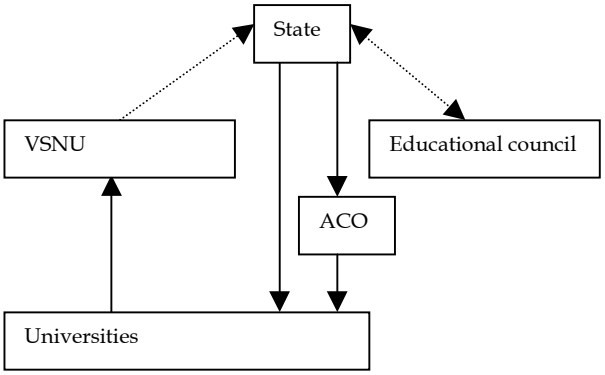
The changes described above are summarised in Figure 4.1. In the figure unbroken arrows refer towards influence relationships that are formalised and/ or based on funding streams. Broken arrows refer to influence relationships based on information exchange, like lobbying or providing expert opinions. The strength of the relationship is expressed by the thickness of the arrow. Inside the universities a very basic organisational structure is presented. Only two organisational layers are depicted, these represent the relationships between the executive level of the institution and the basic units. In fact, a third level, of faculties and deans, may be intervening. These figures provide a general guide to changes in the network. All figures (4.1 till 4.4) were drawn along comparable lines; with some caution they can be used comparatively.

Figure 4.1 Policy network of Dutch universities

1980



1995



The higher professional education- consensus policy network

The situation for the HBOs in the early-1980s was quite different because they operated under the same laws governing secondary education. This had several consequences. First, there was much less autonomy vis-à-vis the state than the universities in the same period. Personnel at HBOs were directly employed by the state also exploitation costs were directly paid for by the state. For other, (limited) expenses HBOs needed to make requests for subsidies. Second, the Inspection had a much stronger influence on the HBOs. It could request the educational plan and other relevant documents at any moment and comment on it. It could also inspect classes of individual teachers.

The position of the representative body was very different from that of the Academic Council. Contrary to the Academic Council the HBO Council was not mentioned in any law. It was established in 1975 to make the HBOs work together more closely, which fitted in a more general strategy to create an integrated system of HBOs and universities (a development which was resisted by the universities) (Deetman, 1984). The structure of the council was different as well. With over 300 HBO-institutions the number of representatives was very large and difficult to manage. The HBO institutions were also very diverse, in terms of size, mission and interests, which made efficient decision-making even more difficult. Finally, the HBO Council did not only consist of representatives from the HBOs but also had student representatives to it, which further diversified interest and increased the number of members.

For the HBOs the changes of the 1980s were fundamental compared to the universities. In the period, immediately following the HOAK paper they received financial autonomy comparable to that of the universities. Management in these higher education institutions was made responsible for their own financial and personnel matters. This new position of the HBOs was laid down in the HBO Act (WHBO) that

was in place from 1985 onwards. At the same time a tumultuous merging process was established with the STC operation (Scale enlargement, Task Reallocation and Concentration). By July 1987, of the 348 then existing HBO institutions 314 had merged into 51 new institutions while only 34 institutions remained independent (Goedegebuure, 1992, p 7). The HBO Council played a central role in the creation of the WHBO and in the STC operation. This strengthened its position as:

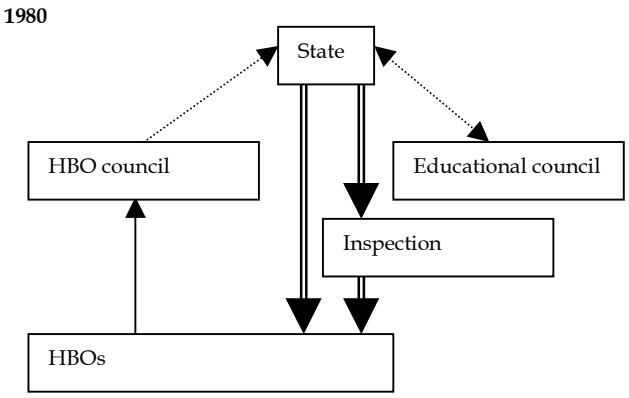
> …it was to become the sole intermediate between the minister and the institutions, channelling information to an from them, as well as becoming the principal actor for the minister in additional negotiations between the minister and the HBO-sector, and allocate implementation funds to the institution (Goedegebuure, 1992, p 150)

At the same time this merging process reduced both the number of representatives and the diversity of the institutions they represented, making the HBO Council a more effective representative institution.

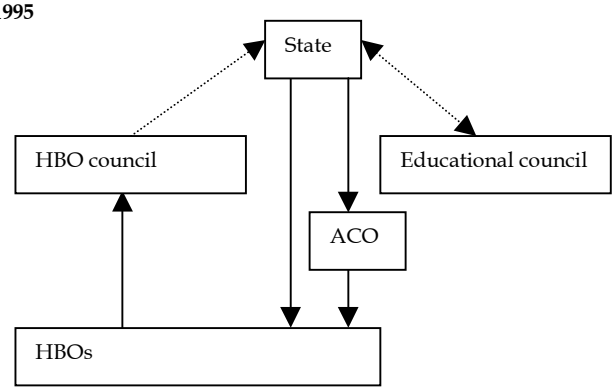
In the period between 1980 and 1995, many changes took place inside the higher professional education institutions. However, the continuity is clear as well. Compared to universities these institutions in both periods were characterised by higher levels of centralisation both in term of finance and content and by lower levels of discretion for individual academics.

Figure 4.2 summarises the above-described changes, for an explanation of the meaning of the arrows see Figure 4.1.

Figure 4.2 Policy network of Dutch higher professional education institutions



1995



4.3.2. The university- majoritarian policy network

The traditional policy network in the higher education sector was simple, at least for the chartered universities. The most important body was the University Grants Committee (UGC) established in 1919 by a Treasure minute and without any statutory basis. The UGC up to 1964 resided under the Treasury and distributed the state budget for higher education over the universities. Members of the UCG were academics hence the state had no direct control over higher education. The UGC distributed funding over universities according to secret criteria, under the premise that open criteria would influence university behaviour and touch upon academic freedom. After 1964 the UGC was brought under aegis of the Department for Education and Science (DES) but still kept its dominating role in higher education. In practice this meant that universities could be sure that each year they would receive an amount of funding that was more or less based on what they received the year before (Salter & Tapper, 1994).

The first problems in this very static system arose in 1974-1975 with the economic crisis following the two oil crises. The perceived necessity to cut-down expenditure on the university sector increased the central planning function of the UGC, since it was the UGC that was best placed to attempt to rationalise the university sector and increase the efficiency of higher education (Williams, 1992). In the early-1980s, the Thatcher government reduced universities recurrent grants over a three-year period with 17 per cent. As a result, the central planning function of the UGC reached a high peak. The UGC administered these budget cuts. It is unknown which criteria the UGC employed, but individual universities' expenditures were cut between 6% and 44%. This top-down selective cutting implied a strong and central steering on the part of the UGC. From the early-1980s to its abolishment, the UGC worked actively on improving the information base it needed to plan rationally (Salter & Tapper, 1994). It worked on a system that was to

provide uniform management statistics and performance indicators for the universities. This information was used for top-down planning that included earmarked resources for favoured academic subjects and an ongoing rationalisation of degree programmes favouring the expansion of larger and the abolishing of smaller departments.

With the Education Reform Act of 1988, the UGC was replaced with the Universities Funding Council (UFC), which was under the direct control of the DES. The majority of its members were not from inside higher education. As a funding body UFC did not fund higher education institutions per se, but provided funds in exchange for the provision of specific academic services. (Salter & Tapper, 1995) On the day the UFC was set up it received a letter from the minister, containing the key phrase.

> I shall look to the council to develop funding arrangements which recognise the general principle that the public funds allocated to universities are in exchange for the provision of teaching and research and are conditional on their delivery (Quoted in Williams, 1997, p. 283).

In 1992 the UFC and the PCFC were replaced with other funding councils that were funding both the traditional universities and the former polytechnics, but were regionally oriented, the so-called Higher Education Councils for England, Scotland and Wales. The combined changes resulted in a policy network that was organised around the state. Salter and Tapper (1994) describe the English system as a hierarchical three-level system. The first level sets out the parameters for the system, which is done by government and the department and controlled by legislation. The second level is that of managing the system. The goals of the system are decided on level one, but how these are attained is largely left to the second level in which the Higher Education Funding Council for England (HEFCE) plays a central role. On the third level, the universities have autonomy within the boundaries of what is decided on levels one and two. There is some consultation of the lower levels by the higher levels, as well as lobbying by lower levels at higher levels but the predominant direction of the policy process is top-down.

The abolishment of the UGC was not the only sign of the state centralising its authority over higher education. Other actors in between the state and the universities were marginalised as well. The Committee of Vice Chancellors and Principals, once a powerful actor, and closely involved in what went on in the UGC, was very submissive to government pressures. As Letwin states: "…the Committee of Vice Chancellors and Principals was dedicated to assisting, rather than

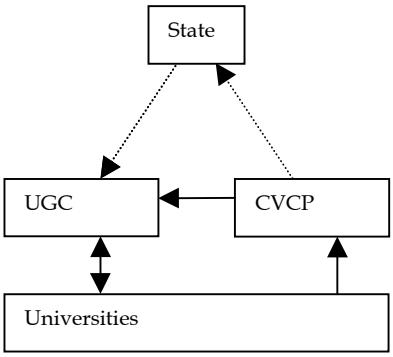
impeding the government's control of universities…"(Letwin, 1995, p. 269). The changes in higher education that led to the abolishment of the UCG turned the CVCP in an interest group that sought to influence government decision-making. The committee has no institutionalised position in the policy process and although government consults it, the committee has no direct influence on the decision-making process. Moreover, especially after 1992, the influx of more Vice Chancellors from the former polytechnics has made it more difficult for the CVCP to speak with one voice. This is one of the reasons why in the early-1990s new lobby groups, representing the interests of specific groups of universities, were established, most prominently the Russel group of universities that consider themselves to be in the British equivalent of the United States Ivy-league.

Inside the universities, the organisational structure in both periods was characterised by high levels of de-centralisation, in terms of financial decision-making, decision-making on content matters and by high levels of discretion for individual academics, compared to higher professional education institutions.

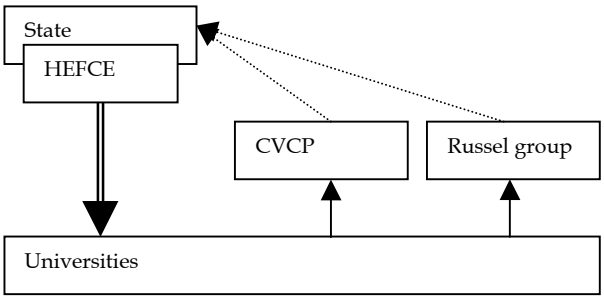
Figure 4.3 points out the changing networks in the university sector in England, an explanation of the lines in the figure can be found at Figure 4.1.

Figure 4.3 Policy network of English universities

1980



1995



4.3.3. The higher professional education- majoritarian policy network

The situation of polytechnics, from their first mentioning in 1966 white paper "A plan for polytechnics and other Colleges" was different. There had always been a variety of often small, colleges focussing on (regional) vocational demands. The white paper built on these existing higher education institutions 'to meet increasing demand for higher education'. It proposed to designate major new centres of these higher education institutions. They were to be called polytechnics. Locations for polytechnics were designated among other things on the basis of local and regional students'- and employers' demands. The local authorities were invited to put forth proposals for the reshaping of a local college to become a polytechnic. Designation would be approved by the Secretary of State when he was satisfied that it would be able to make an effective long-term contribution as a major centre of higher education.

The polytechnics fell under the aegis of the Local Education Authority (LEA). Funding was provided by the Advanced Further Education Pool (AFE) to which all LEAs contributed and could then draw funding for their polytechnics (as well as colleges) depending on complicated calculations of the amount of teaching they provided. This system gave the government very little control over the allocation of funding. The first change in this system came in 1981 when the National Advisory Board assumed responsibility for the allocation of funding from the AFE pool. The mechanisms, by which funding was allocated was, after receiving the plans of the higher education institutions via the LEAs, NAB notified the institutions of indicative student target totals and an 'indicative net pool allocation figure' derived from target enrolment. Hereby, decisions previously taken at the level of the LEAs were centralised to a national level.

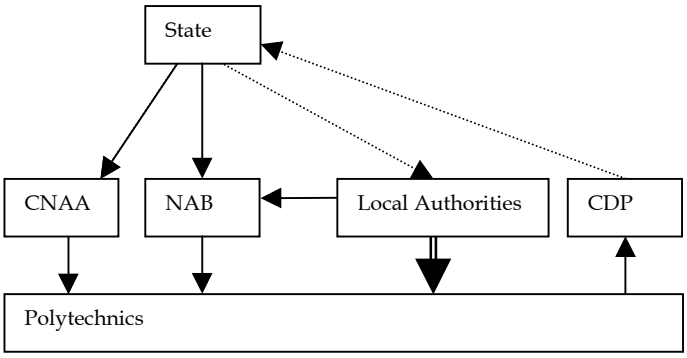
The management and control of the polytechnics remained an issue. The polytechnics were increasingly dissatisfied with local authority control. At the same time, the local authorities were also dissatisfied with their control over the polytechnics, which had been partly taken over by the NAB. The whole issue was resolved in the Education Reform Act of 1988, which enabled polytechnics to become independent of local authorities as statutory corporations. The act also centralised funding of the polytechnics by the establishment of the polytechnics and Colleges Funding Council (PCFC) which allocated central government funds to the higher education institutions. The passing of this act meant that the passing of the Further and Higher Act of 1992 in which polytechnics were re-labelled universities and placed under the same funding regime as the universities was only a small step.

The developments from 1992 onwards have led to a situation for the polytechnics (since 1992 named universities) that was formally identical with that of the traditional, chartered universities. In terms of the network, however, they lack the kind of lobby groups, like for example the Russel group, under which some of the universities have united. Internally, like in the Netherlands many changes took place in their organisational structure between 1980 and 1995. However, compared to universities these higher professional education institutions in both periods were characterised by higher levels of centralisation both in term of finance and content and by lower levels of discretion for individual academics.

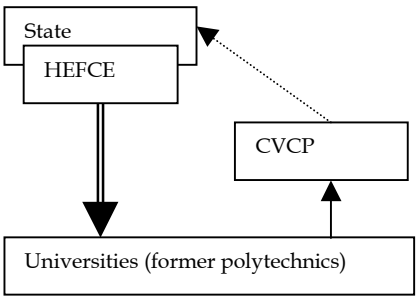
Figure 4.4 again summarises the developments in this policy network; the meaning of the arrows is the same as in Figure 4.1.

Figure 4.4 Policy network of English higher professional education institutions

1980



1995



4.4. Conclusions

4.4.1. Summary of empirical findings

Chapter two presented four hypotheses built on the assumption that state-models are not the only explanatory factor in understanding the speed of the policy-process and that policy-networks are of prime importance. Networks that are shaped not only by the state-model, but also by characteristics of the policy sector, in particular characteristics of the organisations, which make up this policy sector. These four hypotheses are reviewed here and the evidence for them summarised.

Table 4.4 Summary of network characteristics

	Majoritarian	**Consensus**
University		
1980	• Cabinet's influence in policy process is limited due to UGC. • UGC acts as buffer between state and universities. The power of CVCP (as a group) is linked to the UGC. • Universities very autonomous both financially and in terms of content of teaching/ research. • Universities very de-centralised.	• Policy is the result of ministry, Parliament and intermediary groups interacting. • Academic council is legally institutionalised organisation with representatives of university and state. • Universities very autonomous in terms of content but in terms of finance more restricted. • Universities very de-centralised.
1995	• Cabinet is central in shaping higher education policy. • HEFCE is a quango, CVCP is weak, and lobby groups develop (e.g. Russel group). • Universities are autonomous in terms of content, but financial steering by HEFCE is tighter. • Universities very de-centralised though some movement towards centralisation.	• Policy is the result of ministry, Parliament and intermediary groups interacting. • VSNU acts as an interest organisation representing universities. • Universities autonomous in terms of content, financially more autonomous (input/ output financing). • Universities very de-centralised though some movement towards centralisation.

Institutions of higher professional education		
1980	• Cabinet, in combination with local authorities, is central in shaping higher education policy.	• Policy is the result of ministry, Parliament and intermediary groups interacting (though ministry is more powerful than in the case of universities).
	• CDP is a weak body representing the polytechnics interests.	• HBO-council a weak body representing the interests of HBOs.
	• Institutions are autonomous in terms of content but financially regulated by local authorities.	• Institutions are autonomous in terms of content but financially regulated by state.
	• Institutions small and centralised.	• Institutions small and centralised.
1995	• Cabinet is central in shaping higher education policy.	• Policy is the result of ministry, Parliament and intermediary groups interacting.
	• CVCP is weak.	• HBO-council is growing in strength as a consequence of mergers in the sector.
	• Institutions are autonomous in terms of content but financially regulated by HEFCE (more autonomy compared to local authorities).	• Institutions are autonomous in terms of content and are financially more autonomous (input/ output financing).
	• Growing institutions that remain centralised.	• Growing institutions that remain centralised.

4.4.2. Testing the hypotheses

- In majoritarian democracies the position of the cabinet is expected to be central, whereas in consensus democracies Parliament and intermediary organisations are expected to have a central position.

The important difference between England and the Netherlands is that in England only one party is responsible for higher education policies, both in terms of leading the ministry and in terms of the underlying party ideology. An example of this in the context of higher education, are the changes initiated by Keith Joseph, the first minister for education under Thatcher. Joseph received most of his ideas from leading conservative think tanks, often with strong, if informal, links to the Conservative Party. First and foremost was the Centre for Policy Studies (that he had established together with Thatcher) but there also was the Institute for Economic Affairs and the Adam Smith institute (Hood & James, 1994).

In the Netherlands such strong ideologically based policy making is impossible. First, policies need to be in line with the positions of all coalition parties. As stated earlier the minister and state secretaries responsible for education are always of different parties. Second, the greater power sharing between the cabinet and Parliament means that there is a second check on the acceptability of policies for all parties, though predominantly the coalition parties. Finally, because there is no strong core-executive the cabinet is to a greater extent dependent on input by civil servants from the Ministry of Education. Moreover, in the Netherlands parties in Parliament are important actors for higher education institutions in the lobbying process, this is to a much lesser extent the case in England, where effective lobbying attempts must to a greater extent be aimed at the cabinet.

- In majoritarian democracies in both higher education sectors, policy networks are expected to be more pluralistic and less corporatistic than in consensus democracies.

The main difference between England and the Netherlands is the position of representative groups in the policy process. In the Netherlands groups representing the interests of universities and HBOs are much more involved in the policy process then their counterparts in England. This is especially true for the formally institutionalised position of the Academic Council in the early-1980s, but also for the VSNU and the HBO-Council, which, although they lack a formal position, are very deeply involved in the policy process.

In England, during the early 1980's, the position of the UGC was very strong, but this body served much more as a buffer organisation between the state and the universities. In that sense, it created at barrier between the two and did not serve as a strong link between the two. The position of the CVCP, as well as the CDP for the polytechnics for that matter, has always been weaker and it was linked more to the UGC than to the state. With the abolishment of the UGC, the CVCP never became a strong intermediary body; instead different groups of universities have set up their own lobbies, like the Russell group. This reflects a major difference between England and the Netherlands. Lobby groups are not institutionalised actors in the policy process but seek to influence that process from the outside. The English system is more pluralistic, the Dutch more corporatistic.

- In university policy networks the position of higher education institutions is more autonomous than in the higher professional education policy network.

Analysing the shape of these policy networks indicates that there are clear differences between the policy networks of the different types of institutions. In the early-1980s, the policy networks of the universities in both countries were less centralised than the policy network of the higher professional education institutions. The strong role of the Inspection (in terms of quality and content) and the state in terms of funding and personnel management in Dutch higher professional education meant that these institutions had very little autonomy. The same holds for the polytechnics where the combined control of the NAB, CNAA and local authorities held the same strong grip on these institutions. Universities in the early-1980s in England and the Netherlands were more independent than the polytechnics. The English universities even more so than the Dutch, as they had their own buffer organisation, the UGC, to keep government at bay.

These networks, however, were shown to be dynamic, especially those of the higher professional education institutions. Changes in the policy networks can be partly understood by the changing nature of state steering in the sector of higher education in both countries. Giving higher professional education institutions more autonomy was a conscious decision of national governments. In the Netherlands this is illustrated by the HOAK paper and the Higher Professional Education Act. In England it took the form of granting the polytechnics independence from the Local Authority and later giving them the same status as traditional universities in England.

In the Netherlands, the HBO-council became an increasingly influential actor in the policy network. Its importance grew as the HBO sector and the HBOs were growing; their importance for the massification policy of the government was becoming clear and; the HBO-council demonstrated its ability to assist in the implementation of government policies (like the STC operation). In England the situation was different, the growing strength of the polytechnics was not so much shown by an increasing strength of a representative organisation but by the increasing ability of polytechnics to wrestle free from the influence of the NAB and more importantly the CNAA.

Although the policy networks of higher professional education institutions and the universities have been growing more similar, there are still important differences. In the Netherlands universities maintain a privileged position reflected in a large part by the fact that they hold a monopoly on the research function and on academic titles. In England where no such monopoly exists, traditional universities are still *de facto* dominating research and the same holds true for elite education. In terms of the power of the representative organisation of the universities

versus the HBOs the situation is difficult to assess. Notwithstanding the increasing prominence of the HBO-council, the VSNU has been able to ward of most of the attempts of the HBO sector to receive (partial) university status. In England former polytechnics and universities in 1995 were represented by the same organisation, the CVCP. However, next to this representative organisation, elite and semi-elite universities have established their own lobby groups like the Russel group that seek to further the particular interests of these traditional elite universities and to which former polytechnics have no access.

- In university policy networks de-centralised units of the higher education institutions are more autonomous than in higher professional education policy network.

With regard to the types of higher education institutions this chapter demonstrates that two different types of higher education institutions can be distinguished, universities and higher professional education institutions. This distinction is supported by the main evidence in the first section of this chapter. First, when looking at the centralisation of financial management significant differences emerge. In higher professional education institutions budget-holders have a much more centralised position. Second, representative councils in these higher education institutions play a much smaller role. Finally, much less funding is earned de-centrally in these higher professional education institutions, giving de-centralised units in these institutions much less autonomy vis-à-vis central management.

Similar evidence is found when studying the decision-making on content matters. When looking at quality assessment or assurance systems, these were de-centrally organised in all universities. In higher professional education institutions these are much more centrally organised in Central Lancashire and IJselland and in UWE they are complemented with centrally organised thematic audits. In terms of representation of academics and teachers at the central level, it is clear that these bodies are stronger in universities than in higher professional education institutions.

Finally, when looking at the discretionary power of academics, it becomes clear that almost all managers in these eight institutions were (former) academics or teacher. But there is an important difference between universities and higher professional education institutions. In the former, managers were academics appointed for a limited period of time. In the latter managers were on permanent positions. In terms of their involvement in financial management academics had a fairly weak position in all eight institutions. However, in universities, academics

had a stronger role in management in general and they wield some (albeit reduced) power through their role in representative bodies or committees.

5. Policy Change

As was argued in chapter three, market orientation in higher education is not one straightforward policy but a complexity of interacting developments. The mix of policies examined in this study includes finance, quality, regulation with regard to new study programmes and higher education-industry relationships.

This chapter describes several of those developments, both for universities and higher professional education institutions, in England and the Netherlands. There are no separate headings for universities and higher professional education institutions. Policies in both sectors are created by the same ministry and are often intertwined. In the final section the distinction is made so as to test the hypotheses.

5.1. Policy change in the Netherlands

5.1.1. Funding

Until 1978 the allocation of funds to the universities was based on the planned number of students at the universities, under a funding model named ATOOM (Official Technical Consultation on Allocation). Allocations were made on the basis of increasingly complicated models that were the product of negotiations between civil servants of the Ministry of Education and representatives of the higher education institutions. Since consensus had to be reached, the outcomes of the model would never deviate much from the distribution of funds in the past (Groot, 1988). An interesting universities being represented by their financial economic support staff, was that the Executive Board of the higher education institutions became dependent on their own representatives.

One of the perceived problems with this model was that all funding, including research funding, was based on student numbers. The introduction of a new allocation model, ITT in which basic funding unrelated to student number was provided next to the variable part of the budget, was introduced to 'fix' this problem. An important change compared to the ATOOM model was that allocation was based on contracts that spanned several years, between the Minister and the higher education institutions. The contracts contained the plans that institutions had for this period but also the political objectives of the minister (like the cutback of 1% in 1983 and the intention to increase student number with 30% in 1983). The first contracts were signed in

1978 after which adjustment rounds followed in 1979 and 1980. In these rounds no new policies were established and new topics were solved in an ad hoc manner outside the planning process. Moreover, the planning process was dominated by professional planners within the higher education institution that could, without interference of central management, bind the institution to contracts that could not be altered. After 1980 no new contracts were established, as annual cutbacks made it necessary to scale down plans each year (Groot, 1988).

Both the ATOOM and the ITT allocation mechanisms were highly complex models that sought to replicate reality as much as possible. This complexity was one of its main problems. First, it could only be grasped by experts, thereby making all other decision-makers dependent on these experts. Second, the complexity of the models based on future student numbers, meant they were not very flexible. With the annual cutbacks in the early-1980s, detailed planning for the medium range became impossible and as a consequence the allocation of funding was problematic. These cutbacks, in combination with massification of higher education, meant that the variable part of the ITT model had to be reduced almost every year. Finally, although funding was distributed lump-sum to the universities, the universities tended to copy the detailed funding models inside their own institution. This meant that universities had very little autonomy on how to spend their incoming funding, implicitly making the whole system quite centralised.

These problems led to the creation of a new funding model in 1984, the PG-model (Place-Cost model). This model distinguished between four different activities that were funded: education, basic research, societal services and conditionally funded research. These four different categories were funded according to different mechanisms. The funding for academic education was partly provided as basic funding per faculty and partly based on the number of students studying in a faculty. Over the years this latter part was based more and more on throughput and output numbers collected by the higher education institutions themselves. The funding of basic research was provided as a stable funding per faculty. The funding of societal services was based on bilateral agreements between the ministry and the higher education institutions that have been established in the past. Finally, for the conditionally funded research funding was dependent on the number of research projects that are approved (Jongbloed, 1999; Groot, 1993).

On top of these changes, the operation Task Reallocation and Concentration (Taak Verdeling en Concentratie, TVC, Min v. O & W, 1982) was started. This set out to stimulate co-operation between similar disciplines in different universities, to concentrate research in certain universities and to prevent further fragmentation. TVC was also a

means to cut budgets and control government funding. The government intention was a cut of 7%. Another way to control government spending was a large operation in which changes were made in the salary structure of university employees (Min. v. O & W, 1981). Finally the operation Selective Growth and shrinkage (SGK, Min. v. O & W, 1986) was yet another means to control costs. Certain study programmes were abolished while other programmes were forced to co-operate. The SGK-operation was intended to cut costs by 130 million guilders (60 million euros).

These major reforms brought about the realisation that central planning was not an effective means to enhance the effectiveness and efficiency of the system and gave rise to the 1985 HOAK paper that was discussed earlier. The new strategy was based on the idea that an increase in the institutional autonomy would improve the system's performance. Due to an increasingly turbulent environment, higher education institutions needed to be more responsive. More autonomy at de-centralised levels would create not only more flexibility at these levels but also more variety within the system. Next to this effectiveness argument there was an efficiency argument, the idea being that more autonomy in combination with a lump-sum budget would give universities a stimulus to be more efficient with their funding. The universities were thus lump-sum funded and themselves responsible for the way in which they used their budget (Jongbloed, 1999).

The HOAK paper proposed a form of government steering that can be characterised as a 'communicative planning approach'. The planning process was shaped in the form of a dialogue with a two-year cycle. In the HOOP-paper (Higher Education and Research Plan) the government expressed it's main intentions with higher education in the future, alongside with data and analysis of relevant developments and the present situation at the higher education institutions. In a reaction to HOOP the higher education institutions were to write their institutional development plans. In these plans the higher education institutions reflected on their intentions, the influences of their environment and on their internal activities and developments. However, as argued below, there remained forms of government influence that restricted the autonomy granted to the universities. In fact in the first years after the HOAK paper the government took back some of the autonomy they had earlier envisioned for the universities (Huisman & Theisens, 2001).

From funding perspective the changes mentioned above were complemented in the early-1990s with a new funding mechanism (HOBEK, 1993). The most important difference with the former model was its simplicity. The earlier model had acquired so many extra criteria, mainly as a consequence of universities lobbying for exceptions, that it

lacked transparency. The main characteristic of the new model was that for its teaching budget only students that had been studying the nominal four years or shorter were funded. This gave universities an incentive to reduce the time students spent at their institutions. The research component was based on three elements. First, education-related research based on the number of students. Second, funding of Ph.D.-programmes based on the number of Ph.D.-degrees awarded. Finally, a strategic component, with the intention that allocating this funding would be based on government decisions as to what research would be useful for society. The universities, however, saw this final element as an intrusion in their autonomy and this part of the research budget was eventually based on past allocations. This is a very important point, since it meant that more than 60% of the university funding was not 'dynamic' but in fact path-dependent (Jongbloed, 1999).

Compared to the situation in universities the HBOs have seen radical changes in a relatively short period of time. Before 1986 these higher education institutions operated under the same laws as the schools for secondary education. In terms of funding this implied that all expenses for staff, materials, buildings, electricity and gas etc. were directly paid for by the central government. It implied very little autonomy for the higher education institutions themselves. For all initiatives that involved funding the institutions had to request subsidies from the central authorities.

After 1986 this system was completely changed. HBOs received funding lump-sum on a formula basis, where the amount of funding was based on a funding tariff per student, a dynamic demand factor and the number of students enrolled in the institution. This system has been very stable since, apart from a simplification of the funding tariffs in the early-1990s, before that there were six different tariffs for different types of education. Since then there have been two tariffs, one for programmes with a strong practical character (with higher funding rates) and one for programmes with a social science character (lower funding rates). The dynamic demand factor consists of several elements like the number of HBO degrees awarded in the previous year, the number of drop outs in the previous year, the total time (in years) graduates have been registered before graduation and the total time the drop outs have been registered. The operation of this formula funding implied that there was a strong incentive for HBO institutions to take in more students, select drop outs before the normative period of 1.35 years and make students graduate within the normative period of four years.

5.1.2. Quality systems

Before the 1985 HOAK paper quality assurance in universities was informal and based on peer review. Academics judged each other's quality internally as colleagues and externally in the discipline through a referee system for publications. The position of government was that academics within the higher education institutions could be trusted to deliver quality, based on their intrinsic motivation as professionals. Moreover, interference in issues of quality would be perceived as interfering with the academic freedom of the universities.

The HOAK paper expressed the wish of central government to combine increased autonomy for the higher education institutions with a quality assurance system that would ensure the quality of the higher education graduates. For that reason the government proposed to introduce:

- Regular internal evaluations at different levels within the institutions, preferably including performance indicators;
- Recognition of diplomas by committees at the study programme level;
- Independent evaluations on behalf of the government by the Higher Education Inspectorate;
- A system of peer review with independent committees of experts in the areas related to a study programme evaluating the programme. The results of these evaluations should be made public. And in cases of repeated poor quality government after a warning could stop funding a programme (HOAK, 1986).

Universities resisted this involvement of relative outsiders in determining the quality of teaching and the introduction of performance indicators. As the HOAK paper only spelled out the strategy and needed further specification to make implementation possible there was room for universities to negotiate. The results of these negotiations and specification were laid down in the Higher Education Research Plan (1988):

- Periodic external evaluations at the sub-disciplinary level, co-ordinated by the VSNU. The evaluations are based on a self-evaluation and a peer-review by a visitation committee with representatives of the discipline. The Higher Education Inspectorate has a role as a meta-evaluator.
- Performance indicators were not included in the evaluation process.

In short, the universities were successful in keeping the evaluation largely in their own hands and to avoid the use of indicators (Huisman, 2003).

The HBOs, prior to the HOAK paper, had a very different position. Because they were operating under the same laws as secondary education, the Inspectorate played an important and pervasive role in their quality assurance. Basically inspectors could request to see the educational plan and other relevant documents as well as personally check the quality of the education. In other words, setting up a new evaluation assurance system implied less change. The first step for the HBOs was to create a system of internal evaluation rounds next to as well as partly replacing the system in which the Inspection controlled quality. In a second stage the HBO Council wanted to supplement these internal evaluations with an external evaluation system on an institutional level. This attempt failed. The recent mergers in the HBOs had meant that the institutions did not yet have the strong management necessary for this kind of evaluations. A later attempt to create external evaluation per sector did succeed (HOOP, 1988; 1990).

5.1.3. Regulation with regard to new study programmes

Until HOAK the setting up of new study programmes in the Netherlands was controlled from the top-down. For almost all new study programmes, higher education institutions needed the approval of government and a positive advice from the Education Council and the Academic Council (later the VSNU).

In the HOAK paper the government, expressed its intention to change this situation. The higher education institutions themselves would become responsible for their supply. Within the sectors (economics, agriculture, social sciences, humanities, natural sciences, engineering, law and health) in which they were already offering study programmes they would be free to create new programmes. Only in the case in which the macro-efficiency of the system was at danger, or in which the division of tasks between higher education institutions would become unbalanced, would the government interfere. In the most extreme case this could lead to revoked funding for a particular study programme (Huisman en Jenniskens, 1994).

In practice, however, this situation was never realised. After much Parliamentary criticism in the late-1980s, regarding fears that macro-efficiency would be jeopardised, the minister installed a national committee, the Advisory Committee on the Supply of Study Programmes (ACO) to watch over the macro-efficiency of the higher education system. As of 1993 this committee annually judged whether

institutional proposals for new programmes would harm the macro-efficiency of the system. Although the Minister maintained that higher education institutions were granted more autonomy, the work of a national, if non-government, committee and government involvement in setting the rules and criteria for the admission of new programmes did imply more control than was originally intended in the HOAK paper (Huisman, 2003).

Again, for the HBOs the situation developed differently. In the early-1980s government decided which study programmes were offered where. The HBOs did not play an active role in developing proposals for new programmes. As a consequence of the STC operation, HBO institutions had grown in size. Moreover as a consequence of the HBO Act, the institutions received more autonomy. In the law it was stated that institutions could develop proposals for new study programmes that would be judged by the Minister after an advice of the Educational Council and then included in the HBO-statute. In practice this section of the Act was never implemented and instead a "Temporary Arrangement" for HBO study programmes was established. Proposals for new programmes were judged by the minister, but the room for new programmes was very restricted; only programmes in sectors already offered by the HBOs were accepted. With the introduction of the Higher Education and Research Act (WHW) and the instalment of the ACO, HBOs were placed under the same regime as universities (HOOP 1988; 1990).

5.2. Policy change in England

5.2.1. Funding

Regarding funding issues, the Thatcher governments seriously attempted to reduce costs of higher education. One of the first actions was to revoke all public subsidies for students outside the EU *and* allowing universities to determine their own fees for these students (Williams, 1997). This reduction in government funding proved to be of pivotal importance when a few universities (but others soon followed) started to actively recruit foreign students as a way of increasing revenues. The necessity to attract foreign students only grew with the aforementioned 17% budget cuts. In general it can be said that budget cuts were an important driver for change as they have forced the universities to think carefully about earning funding.

As was discussed, the budget cuts eventually also led to the abolishment of the UGC and the introduction of the UFC with a different relationship towards the state and the higher education

institutions. An important difference was the way in which the UFC funded higher education institutions. The fact that it was to pay only for services rendered made the state into a monopsonistic buyer of teaching and research services, transferring authority from the suppliers (i.e. universities) to the state. The UFC created a type of 'managed market' where universities were invited to place bids for student numbers in 22 subject areas. In order to help the bidding the UFC published 'guide prices' in each subject, based on estimated previous average costs in those areas. The whole system collapsed, because almost all universities bid at the guide prices and no real competition emerged.

In response to the failure of the 'managed market' for universities the Treasury and the Department of Education developed a mechanism in which they allocated fees for every student that covered 30% of the teaching costs. Government statisticians had estimated this 30% to be about the real marginal costs of additional students. The treasury agreed to pay this level for as many students as enrolled in the universities and polytechnics. As a result enrolments increased dramatically: in some cases 25% a year for two or three years. This reduced the average income per student, but for higher education institutions that could not compete in the above mentioned market for foreign students it was the only way open to maintain total income at a time when the Funding Councils were cutting funding per student. In addition the funding per student for all universities was reduced proportionally to the average cost reduction brought about by the fight for increased enrolments by a few of them. Not competing for extra students thus automatically meant lower total incomes, which made all higher education institutions join the rat race for more students. By 1993 enrolments system wide were growing by 10% a year (Williams, 1997).

The situation for the polytechnics, before 1992 was different. Until 1983 they were funded directly by the local authorities with very little institutional autonomy and funding based on historical considerations. The first change in this situation was the decision by central government to cap the AFE pool. By capping, putting a maximum to the total sum that could be allocated to all polytechnics together, central government for the first time gained control over the polytechnic spending at the cost of the local authorities. Centrally capping the pool obliged government to consider how the now scarce resources needed to be allocated. This led to the creation of the National Advisory Board for Local Authority Higher Education (NAB), which from 1983 onwards was responsible for the allocation of funding to the polytechnics from the AFE pool. In 1984 it performed for the first time a major planning exercise. This marked a fundamental change to a system of centralised planning and funding that affected the polytechnics up

until 1989 when they were made independent from the local authorities (Salter & Tapper, 1994).

The methodology for the allocation was a system based on the target student number for the higher education institutions. These target numbers were derived by dividing the national aggregate enrolment, which had been determined by the NAB over the different institutions, by the proportion of institutions' bids. In other words funding was based on the ambitions of the higher education institutions. The amounts the institutions received were corrected by programme weights. Furthermore two mechanisms were installed to reduce the annual changes to manageable proportions. First, the changes in the amount of funding an institution received from one year to another were halved. Second, no changes larger than 5% in the funding of an institution were allowed (Williams, 1997; Pratt, 1997).

Like the UFC, the PCFC created a type of 'managed market' where apart from the normal funding per target student numbers (based on the numbers of the previous year) it reserved 5% of its funding for a competitive bidding process. Polytechnics were invited to place bids for students over and above their target numbers. Funding would go to those higher education institutions that could offer the extra places at the lowest cost. Contrary to the failure of the UFC, the PCFC was successful. Polytechnics were less organised as a group compared to the universities and were not able to form a cartel, with each higher education institution offering the same price for the extra students. Moreover, the polytechnics were more depending on increases in student numbers to financially survive, hence strong competition ensued. The bidding process resulted in substantial increases in student numbers in polytechnics: funded numbers increased by 24% from 1989 to 1991. At the same time the average price per student dropped 2%.

In 1992 with the introduction of the Further and Higher Education Act the PCFC was abolished and universities and polytechnics were brought under the same funding agency. The act gave the polytechnics the right to become universities, a right that almost all polytechnics exercised. More important than the different label, this had the important implication that they were competing with traditional universities within the same funding regime. Apart from this act, government policy focused on the effects of the fast growth in the university sector. One was an increased concern for quality assurance. As student numbers exploded in the late-1980s, universities were perceived to have little care for the teaching quality. A second was the increasing costs of the higher education sector. Although costs per student were falling, the sheer increase in student numbers increased the costs to an unacceptably high rate. The first issue was dealt with through

an increasingly intrusive check on quality as a pre-requisite for funding. The second issue was dealt with in 1994-1995 by capping student numbers. Basically universities were not allowed to increase enrolment more than 2% to 3% per year in terms of their regular students (those students for whom they received a HEFCE grant).

5.2.2. Quality systems

Traditionally, universities in England were completely autonomous in terms of quality control. Like in Dutch universities quality control was based on informal peer review, inside departments, through refereed journals and successful research proposals. Government interference was judged unnecessary, since academics were intrinsically motivated and unacceptable since it interfered with academic freedom.

As a result of growing political pressures the universities set up the Academic Audit Unit (AAU), which was to ensure that quality assurance systems were in place. This unit was a purely academic organisation created in response to the threat universities felt from a government infringing on their autonomy. The AAU started to operate in 1989. Government, however, was not convinced that the AAU would suffice as a safeguard for quality. In 1993 it set up Quality Assessment Committees within the funding councils. These committees took over responsibility for quality assessment from the universities and made acceptable standards of teaching, a pre-condition for government funding. In 1997, the task of quality assessment was carried over to the Quality Assurance Agency, an independent body funded by subscriptions from universities and colleges and through contracts with the main higher education funding bodies (Williams, 1997; Salter & Tapper, 1995).

The assessment method of the Quality Assessment Committee combined self-assessment by the higher education institution with visits by trained external assessors. They looked at six aspects of the learning experience and its outcomes: curriculum design and organisation; teaching, learning and assessment; student progression and achievement; student support and guidance; learning resources; and quality management and enhancement. Assessors awarded grades on a scale of 1-4 for each aspect. Comments identifying good practice and areas for improvement were published in an assessment report (HEFCE, 2002).

The case of the polytechnics is a different one. In terms of quality control they did not start out as autonomous institutions but acted under the authority of the Council for National Academic Awards (CNAA), which was established in 1964. Its membership was drawn up

from the polytechnics (as well as colleges) and it developed new forms of peer review. Contrary to the universities, the polytechnics did not have their own degree-awarding powers therefore they needed an external degree awarding institution to give their programmes the status of higher education. The CNAA's function of awarding degrees implied that it had to approve or validate the study programmes at the polytechnics. But in seeking to do this, the CNAA was drawn into the wider issues of structures and processes, which is why alongside course validation regular institutional reviews were conducted. This system lasted until 1993 when the polytechnics received university status (Pratt, 1997).

5.2.3. Regulation with regard to new study programmes

Like in the case of quality control, the chartered universities had the right to establish any new course based on internal validation procedures. This was an often informal process in which Senate had the final decision-making power. There was however always a tradition of external reviewers that would advise universities on the structure and content of new programmes. By contrast the polytechnics had a history of centralised course validation (the aforementioned CNAA). This central validation implied a rigorous procedure in which the polytechnic wishing to establish a new study programme had to send a programme submission to the CNAA. A substantial document setting out the aims and objectives of the study programme, its entry requirements, structure, content and syllabuses, assessment procedures, facilities and staffing. The programme submission would be judged by the appropriate board of the council and if it was judged of 'sufficient merit', the board would form a visiting party to discuss the course with the polytechnic. The discussion would involve the course team as well as the senior staff of the institution. If satisfactory, the course would be approved for five years.

Several polytechnics at the outset questioned this rigorous system, but in the 1980s, as the polytechnics developed into more and more self-standing organisations, the relationship with the CNAA became increasingly tenuous. Polytechnics wanted their own degree awarding powers. The establishment of the NAB in 1982 and the separation of polytechnics and local authorities in 1988 fed these discussions. Even before that, however, several individual higher education institutions had negotiated with the CNAA to receive more autonomy over the accreditation of their study programmes. At the same time the CDP was pleading with the State to increase the autonomy of polytechnics vis-à-vis the CNAA. This resulted in a system

introduced in 1989 in which the polytechnics could validate their own study programmes while the CNAA would validate the higher education institution as a whole once every seven years (Pratt, 1997).

The CNAA was abolished in 1993 when the polytechnics received degree-awarding powers themselves. However, they were subject to the quality assessment procedures now imposed on universities, exercised by the quality assessment committees of the funding councils and later the QAA.

5.2.4. Higher education – industry relationships

Funding and quality assessment both relate to changing relationships between the state and higher education. Yet government also tried to alter the relationships between higher education institutions and industry. Over the years there have been a number of government programmes that use monetary incentives to encourage universities to become more socially relevant. The structure of these programmes is quite similar. Funds are made available on a competitive basis for specific aims. One of them is described below in some detail as an example of the way in which government has attempted to steer universities in a more market-oriented direction.

The 'Enterprise in Higher Education' programme (EHE) was initiated by the Department of Employment with the objective of changing the teaching priorities of higher education institutions. Universities and polytechnics could bid for funding in collaboration with industrial and commercial partners. The teaching initiatives had to provide students with 'enterprise skills' (Williams, 1997). Enterprise skills meant that, "Every person seeking a higher education should be able to develop competencies and attitudes relevant to enterprise" (MSC, 1987). The programme offered universities the opportunity to bid for funding by writing an Enterprise Plan. This plan should make clear how the objectives were going to be met but could be tailored to the specific characteristics of the university. Several elements were to be included in the Enterprise plan: changes in education, co-operation with employers, staff development and a structure for management and co-ordination. The universities were given five years of funding (200,000 pounds per year) to implement their enterprise plan. After five years the programme was supposed to be embedded in the internal structures and processes of the higher education institutions (Sommerlad, 1993).

A very important element in the programme was the required co-operation between universities and employers.

> What is intended is a real partnership based on shared values, common understanding and mutual benefit. In fact employers have the power to influence the scope and direction of enterprise projects in many ways. Employers chair and have substantial membership on steering committees, which have the responsibility for the strategic development and funding of EHE in each institution. (Whiteley, 1995, p. 68)

Employers were expected to be stimulated to become involved in the design and the delivery of the curriculum. Students would be given the opportunity to do projects in 'real' economic settings; obviously this also required co-operation. Higher education institutions were also required to seek for (financial or other) support for their Enterprise Plans from employers. This seeking for alternative funding sources also intended to raise the efficiency of higher education. At least from the government perspective it meant more education for less funding.

5.3. Conclusions

5.3.1. Summary of empirical findings

The description above sketches developments in a number of key areas in England and the Netherlands, for both universities and higher professional education institutions. Table 4.1 provides an overview of these findings, comparing the situation in 1980 with the situation in 1995.

The table shows an interesting array of developments. First from a funding-standpoint both countries in both sectors moved in the same direction, giving universities and higher professional education institutions, (but especially the latter) much more freedom over the way in which they spent their budgets. This was an important development as it freed the higher education institutions to act as free standing institutions and not as a de-concentrated part of the state bureaucracy. On the one hand, in the Netherlands developments in terms of funding in both sectors went further than in the UK; they provide higher education institutions with a mixture of input and output funding giving higher education institutions incentives to work efficiently. On the other hand the attempts in England to create a managed market and to make universities compete for scarce resources were an alternative interpretation of what a market in higher education could mean.

Table 5.1 Summary of policy change in England and the Netherlands

	Netherlands		**England**	
	Universities	**Institutions of higher professional education**	**Universities**	**Institutions of higher professional education**
Funding policies				
1980	• State • Lump-sum, but *de facto* earmarked • Based on input	• State • Direct pay of personnel and bills, small subsidies for extra activities • Based on input	• University Grants Committee • Lump-sum • Increasing central planning linked to funding	• Local Authority • Direct pay of personnel and bills, small subsidies for extra activities • Based on input
1995	• State • Lump-sum • Based on mixture of input and output	• State • Lump-sum • Based on mixture of input and output	• HEFCE (quango) • Lump-sum • Based on input • Managed market (failed)	• HEFCE (quango) • Lump-sum • Based on input • Managed market (succeeded)
Quality systems				
1980	• Academics • Informal • Peer review	• Inspection • Formal • External review	• Academics • Informal • Peer review	• CNAA (quango) • Formal • Institutional review
1995	• VSNU • Formalised • Peer review	• HBO Council • Formalised • Peer review	• HEFCE (quality assurance committee) (quango) • Formal • External review	• HEFCE (quality assurance committee) (quango) • Formal • External review
Regulation with regard to new study programmes				
1980	• Minister after advice Academic and Education Councils • Quality	• Minister • Quality	• Internal validation • Quality	• CNAA (quango) • Quality
1995	• ACO (quango) • Macro efficiency	• ACO (quango) • Macro efficiency	• Internal validation • Quality	• Internal validation • Quality
Policies to stimulate higher education-industry relationships				
1980	• None	• None	• None	• None
1995	• None	• None	• State • Several policies	• State • Several policies

Second, in terms of quality control the situation radically changed, especially for the universities and especially in England. Quality control in universities in England, just like their Dutch counterparts, was based on an informal system of peer review within the higher education institution and especially within the discipline. By 1995, universities in England were confronted with a state controlled quality assessment system that scored teaching and made the results public. In the Netherlands the informal system was formalised and a meta-evaluation by the Inspection was added. In the same period Dutch HBOs moved from a situation of relatively tight control by Government and the Inspection to a system comparable to that of the universities in 1995. Polytechnics in England moved from regular institutional reviews to the same situation as all English universities when they were granted university status.

Third, in terms of the rules and regulations for setting up new study programmes, the situation changed much more for higher professional education institutions than for universities. In the Netherlands HBOs are now given the possibility to develop new programmes by themselves, granted, those programmes need to be validated by the Minister after an advice of the ACO. In England the polytechnics are now free to validate their own study programmes although like English universities they work with external review committees. Also many of the procedures that were established by the CNAA are still operating because institutions stick to them. In English universities the situation with respect to programme validation has remained more or less the same in the sense that universities were and still are in charge of programme validation. However, the procedures followed in 1995 are much more formalised, in response to demands from the quality assessment committee of HEFCE. In the Netherlands too, the situation for universities has changed little. The most important shift was the abolishment of the Academic Council and the establishment of the ACO. While the Academic Council consisted mainly of representatives from the universities, the ACO is a much more independent committee. This has meant on the one hand that universities were less involved in the validation procedure but on the other hand that the validation procedure is became less 'political' with an independent committee judging applications on more or less objective criteria.

Finally on the issue of higher education-industry relationships there is an enormous difference between England and the Netherlands. In England universities and polytechnics have been confronted with many policy initiatives that sought to strengthen this relationship. In the Netherlands such policies did not emerge.

5.3.2. Testing the hypotheses

Chapter two outlined four hypotheses that related policy change to the different policy networks. These hypotheses are examined in this section based on the empirical evidence presented in this chapter.

- In consensus systems more policy changes are expected in the higher professional education sector than in the university sector.

When looking at funding policies in the Netherlands more dramatic policy-shifts can be observed in the higher professional education policy-network compared to the university network. These changes, however, had more to do with the different positions from which both types of higher education institutions departed in the early-1980s than with the level of centralisation in the policy-network. The enormous growth in the higher professional education sector demanded a different funding model.

In terms of quality assurance again a mixed picture emerges. The most dramatic changes here have been in the university sector. Institutions of higher professional education in the Netherlands were under firm control by the state or state related bodies. This strict control was slightly relaxed as these institutions developed into more free standing higher education institutions. The universities, however, saw their traditional autonomy with respect to quality and its definitions infringed upon though state interference. Though the system developed was one of peer review, the formalisation of the process and the publication of results meant that universities, from the 1980s onwards, were held accountable for the quality of their education.

Finally, with regard to the introduction of new study programmes, higher professional education institutions during the 1980s and early-1990s received the same degree awarding powers as universities. In the Netherlands it meant that higher professional education institutions were brought under the same governmentally controlled system, in which a positive advice of the ACO was necessary for new study programmes to be called into existence.

- In majoritarian systems more policy changes are expected in the higher professional education sector than in the university sector.

Clearly, in England, polytechnics have witnessed more dramatic changes than universities in terms of their place in the higher education policy sector and their organisational structure and size. However,

focussing on the three areas singled out above, there is not so much difference in terms of policies. For quality assurance, the changes for universities were more dramatic as they were confronted by a government with a centrally organised quality assessment system, much against their will. Polytechnics by contrast had always been assessed by the CNAA. For funding and degree awarding powers the extent of changes gives a more mixed picture. In polytechnics changes have been more dramatic, but they have been in the direction of bringing polytechnics closer to a much desired university status. For the polytechnics this has meant much more autonomy, most importantly because they were freed from local authority interference. In contrast, universities had to deal with some reductions in their autonomy as a consequence of the creation of HEFCE and with the abolishment of the UGC they lost their main buffer organisation against the state.

- In university sectors more policy changes are expected in majoritarian systems than in consensus systems.

The university sector in England has indeed witnessed more change than the same sector in the Netherlands. Though the changes in funding models in the Netherlands has been shifted more (towards a mix of output and input funding) this is surpassed by the radical budget cuts of the early-1980s, the abolishment of the UGC and its replacement with HEFCE. In terms of the quality system, the quality assessment system introduced in England again meant more change than the Dutch case, where a quality assurance system was introduced. In terms of the regulations for the establishment of new study programmes more change was established in the Netherlands, where the ACO replaced the function of the Academic Council, in England a test on macro efficiency was never introduced. Finally in terms of university-industry relationships the state introduced several programmes to make higher education more open to the needs of industry in England, while no such programmes were developed in the Netherlands.

- In higher professional education sectors more policy changes are expected in majoritarian systems than in consensus systems.

This hypothesis too, is supported by the available evidence. Though the higher professional education sector in both countries saw dramatic changes during the 1980s and early-1990s the policy changes were greater in England. The introduction of a managed market, of a quality assessment system and the policies to strengthen the ties between higher

professional education institutions in England are all examples of policy changes that are unequalled in the Netherlands.

In conclusion, comparing policy change between the two higher education sectors in England and the Netherlands, there has clearly been more policy change in the higher professional education, both in England and in the Netherlands. The direction of the changes in these two policy networks, however, is very different. In the HBO sector, it is the development of higher professional education institutions, into free standing higher education institutions, on equal level with the traditional universities. Whereas developments in the higher professional education network meant more autonomy for the institutions, which was welcomed by the institutions, developments in the university network meant a different type of steering in which more state steering and more autonomy were interwoven, with unsurprisingly a more mixed response. It is therefore impossible to conclude whether policy making in one sector is swifter as a consequence of a different type of network, or of a different type of policies developed in that network.

Comparing policy change in England and the Netherlands, it becomes clear that more change can be witnessed in England, in both sectors. It is important to note that the changes had a different direction. In the Netherlands the state retreated to some extent, though never as much as the HOAK paper promised. In England the state intensified its grip on the higher education institutions.

6. Actual change

The previous chapter dealt with policy change. This chapter focuses on the way in which these changes have affected the universities and higher professional education institutions. To this end, eight case studies were performed, the results of which, organised per higher education institution, can be found in appendix two. In each of these case studies an analysis of the type of higher education institutions and the developments inside these institutions was made. In this chapter the case studies are examined comparatively.

With regard to the type of higher education institution the central question is, whether there are indeed two distinctive types of higher education: universities and higher professional education institutions? Looking at the developments within these higher education institutions two different approaches are used. First, changes in structures in the eight higher education institutions are examined: the organisational changes, developments in financial structures and changes in the influence of external actors. Second, the focus shifts slightly by studying the establishment of new study programmes. The question here is whether external actors and considerations of external demands are playing an increasing role in the initiation, design and decision-making of these study programmes.

In each section an analysis is made of how the case studies compare in terms of their scores on the above mentioned variables. Each time an overview of the qualitative scores of each institution is given. Higher education institutions are scored both in 1980 and in 1995 to be able to compare developments over time within institutions. This is followed by a summary in a table and a concluding description of the main differences found in each section.

The chapter ends with a general summary of the results, which are then used to test the last four hypotheses developed in chapter two.

6.1. Organisational and financial developments

Here, three specific developments are observed in detail: developments in organisational structure (Table 6.1), financial management (Table 6.2) and external relationships (Table 6.3).

6.1.1. Developments in the organisational structure

When examining the developments in the organisational structure in the eight cases, the focus is on several issues (Table 6.1):

- the amount of power for central managers;
- the number of organisational layers;
- whether central managers are co-operating in a management team;
- how powerful democratically elected councils are within the higher education institutions.

In the early-1980s all four of the higher professional education institutions in this study were small schools, with an organisational structure not unlike that of most secondary schools (in fact in the Netherlands they were regulated by the law on secondary education). This structure implied there was a director who, within the constraints set by state authorities (national in the Netherlands, local in England) held a strong position in the higher education institution. Aside from the director there were heads of departments (in England) and chairmen of *vakgroepen* (in the Netherlands); functions that were part-time fulfilled by teachers at the higher education institution next to their teaching duties.

From these small organisations with very little autonomy vis-à-vis the state they have, both in England and the Netherlands, developed into relatively independent institutions. After these higher education institutions gained autonomy (in both countries in the mid-1980s) they had to develop all aspects of their own management. Central management became responsible for issues such as finance, personnel, strategy and planning. In all four higher education institutions there was an added challenge of an enormous growth in student numbers.

All four higher education institutions reacted similarly to these challenges. The position of central management was strengthened, both in terms of the number of central managers (from one director to an executive board) and in terms of number of support staff. As matters like finance and personnel were shifted to the institutions personnel and finance departments needed to be established.

There was a difference between IJselland, Central Lancashire and UWE on the one hand and the HES on the other. In the first three, faculties were either created (IJselland) or given much more autonomy (UWE and Central Lancashire) with deans that have a strong position in the organisation. Deans received lump-sum budgets (with few strings attached) and autonomy in how they managed their faculty. At the HES faculties were never created and there was no organisational level between the Executive board and the *vakgroepen*. There is a simple explanation for this difference. The sheer scale of the other institutions

made it necessary to reduce the span of control for central management. In Central Lancashire and IJselland the need for central co-ordination has led to the establishment of a central management team in which central managers and deans co-operate.

Interestingly (contrasting to developments in universities) in all these higher professional education institutions the elected councils that are in a sense representing the teachers and academics and act as a check on the institutional management have become more influential. There are two reasons for this. The English institutions went from a situation with no elected councils to a situation with (weak) academic boards. In the Netherlands the advisory councils had been in place all along, but their position was strengthened. Advisory councils received training and therefore began operating more professionally. Moreover, the fast pace of change in terms of student numbers, mergers and organisational structures had many consequences in areas where advisory councils had a stake (personnel matters and working conditions most prominently).

The four universities in this study saw more modest developments in terms of their organisational structures. Contrary to the higher professional education institutions, their organisational independence was already well established. They encountered growing student numbers during the 1980s and early-1990s, but nothing as spectacular as the higher professional education institutions.

There is a fundamentally different point of departure for the English and Dutch universities. Dutch universities are based on a chair-system, where the responsibilities for a primary unit are concentrated in one person, that of a full professor. He or she is in charge of the teaching and research within that unit. Other staff in the unit is in a sub-ordinate position. Chairs in the Dutch situation are clustered in *vakgroepen*, but the chair remains the dominant, if informal, organisational unit. In England, by contrast, there are departments in which power is diffused over several professors and in which other staff can more easily play a role and can even be the head of a department.

Although universities in both countries were differently organised at the faculty level they have seen more or less comparable developments. In Lancaster changing the boards of studies into faculties created a faculty level. These faculties did not receive lump-sum budgets (these went directly to the heads of departments). However, the Vice Chancellor made it clear that he would only communicate to heads of departments when the dean was present, in doing so he positioned the deans as middle managers. In Bath by 1995 no faculties had been established, but developments were set in and faculties were created in 1997. Twente and Groningen already had faculties, but by using a new

financial model (see developments in the financial structure) gave them more (financial) autonomy.

The creation or strengthening of faculties did not (at least not up to 1995) lead to a management team in which central managers and deans work together. In that sense the creation or strengthening of faculties in the universities implied a stronger form of de-centralisation compared to the higher professional education institutions.

With regard to the bodies that represented academic communities in universities, the university council and Senate, these have weakened over time in all institutions. Respondents point out that the sheer speed and complexity of decision-making in universities makes it very difficult for these bodies – with individuals that only spent a fraction of their time on these management issues –to come up with real alternatives for central management proposals.

Finally, although it is clear that developments in the organisational structure of the universities have been limited, it must be noted that the way in which these structures operate has changed. This is shown in the next section where developments in financial management are dealt with.

Table 5.4 summarises the complex developments in the eight case studies. In higher professional education institutions this period shows tumultuous change. From institutions that were heavily controlled by the state these institutions have developed into free standing higher education institutions with their own responsibility for issues like strategic, financial and personnel management. At the same time these already centrally managed higher education institutions kept all new management responsibilities at a central level. Three of the four institutions in the sample (except for the HES which was much smaller than the other three institutions) created faculties, mostly to deal with the increased span of control of central management as these higher education institutions grew tremendously. In two of those institutions (Central Lancashire and IJselland) this has not led to de-centralisation since deans and the executive board are closely working together in a central management team. Interestingly, at the same time the importance of elected councils grew, either because they were created (in England) or because they were professionalised (in the Netherlands).

By contrast universities saw a more moderate pace of change, as they were already rather autonomous at the beginning of the 1980s. They too developed faculties (Lancaster) or strengthened them (Twente and Groningen) but deans and the executive board did not work together in a management team and the creation of faculties therefore

genuinely de-centralised the institutions. At the same time the elected councils lost influence.

When comparing higher education institutions in England and the Netherlands it becomes clear that there are very few differences. No differences can be found that are greater than the variation amongst the individual institutions.

Table 6.1 Developments in the organisational structure

	Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
How much power does central management have?								
1980	Strong central management (Registrar), balanced by very autonomous departments	Strong Development Committee (Vice Chancellor and some key colleagues)	Strong executive board with internal professors on it.	Strong executive board with academics on it.	Director with little independence from LEA	Strong Director who had gained some independence from LEA.	Strong director who could single-handedly take decisions. Constrained by state and board of trustees.	Consensus based co-operation of directors in foundation. Constrained by state and board of trustees.
1995	Towards a faculty system.	De-centralisation. Introduction of faculties.	Executive board with internal professors on it.	Executive board with academics on it. Some de-centralisation, especially financially.	Strong central management united in directorate. Autonomous position of deans.	Strong central management team. Clear lines of authority Pro vice chancellor - deans.	Strong Executive board (more autonomy from state and (smaller) board of trustees)	Strong Executive board works closely together with directors of faculties. No board of trustees.
What is the number of organisational layers?								
1980	2	3 (but no faculties, just boards of studies)	3 (but with *vakgroepen**)	3 (but with *vakgroepen*)	3 (but faculties were very loose federations of departments)	3 (but faculties were very loose federations of departments)	2	2
1995	2 (faculties were established in 1997)	3	3 (but with *vakgroepen*)	3 (but with *vakgroepen*)	3	3	2	3
Is their co-operation of central management and deans in management team?								
1980	No	No	No	No	No	No	No	No
1995	No	No	No	No	No (but many one to one deals between deans and executive board)	Yes (Central management and deans)	No (but no faculty level)	Yes (Central Management and deans)

Are their influential democratically elected councils?								
1980	Senate	Senate and strong committee structure	University Council	University Council	No democratic bodies	No democratic bodies	Advisory council	Advisory council
1995	Senate is weakening	Senate and strong committee structure	University council is weakening	University council is weakening	Weak academic board	Weak academic board	Advisory council influential during reorganisation	Advisory council that is professionalising

* *Vakgroepen* pose something of a problem in this comparison. On the one hand they are formally recognised as organisational levels (up to 1997) but their role in the organisational management varies from faculty to faculty and from university to university.

6.1.2. Developments in the financial structure

With regard to developments in the structure of financial management several items are of importance (Table 6.2). The first is how much discretion central management has over the budget. A second issue is whether budgets are allocated to de-centralised parts of the organisation lump-sum or earmarked. Finally, the way in which the allocation is calculated is looked at, are these calculation based on historical allocation or input- or output-oriented?

The financial freedom of higher professional education institutions in the early-1980s was very limited. In all higher education institutions, personnel were on a national or local authority payroll and housing and other bills were paid directly by these authorities. Other expenses were in the form of subsidies, in other words the institutions could ask for funding, but the state authorities would make financial decisions.

This does not mean that all higher education institutions were equally constrained. Central Lancashire had a director with a very powerful personality who was committed to keeping the local authority at a distance. UWE on the other hand was much more subordinate to local authority. The lack of financial autonomy of the institution as a whole was reflected in the Departments, these had very little financial freedom as central managers took decisions on the scarce budgets that were not determined by local authorities.

As higher professional education institutions gained autonomy in the mid-1980s they needed to set up their own financial management system. The various institutions all established their own allocation mechanisms, mechanisms that in general left most power to the central level.

At UWE budgets were devolved to the faculties on the basis of student numbers. However, some strings were attached, most importantly funding for personnel could not be used for other purposes. These strings gave central management more control over the personnel section of the budget.

In Central Lancashire personnel budgets were devolved to the departments, based on staff student ratio and the number of students studying in a department. Heads of departments simply had to deal with the amounts they received. Their freedom was further constrained because the number and type of staff they could hire was fixed as well. These decisions were taken by the management team (see organisational developments), as were decisions on the non-personnel part of the budget.

At IJselland budgets were devolved to the faculties. The institution received funding on the basis of the national funding formula. From this funding central management deducted the cost of central services and strategies, the rest of the funding was allocated to the faculties based on the national formula. There were re-allocations made if faculties due to lower student numbers needed time to readjust their expenditures to their budgets. Deans were free to spend their budgets but were required to spend at least 5% on innovations.

At the HES developments were slower than in the three other institutions. The institution as a whole was funded lump-sum, based on the national formula. This was not internally translated. In stead *vakgroepen* were allocated FTEs based on the amount of hours they taught students. This left all financial decision-making at the central level.

Although it is clear that four very different situations have developed in the higher professional education institutions a few generic developments can be noted. First of all that no institution devolved all its funding just like that, in contrast to universities. In one way or another every institution retained some form of control. Even at UWE, which of the four cases allocated most of its budgets to the faculties, deans were not allowed to divert personnel budgets for other purposes. In IJselland the Executive Board retained a strategic budget for itself and requires the faculties to spent 5% of their budgets on innovations, i.e. new projects. Although the central strategic budget decreased over time, the faculties are still held to reserve 5% of their budgets. In Central Lancashire and the HES central management keeps full control over the budgets and only funds departments or *vakgroepen* for personnel expenditures.

For the four universities the situation is different. Universities in the 1980s had far more financial autonomy vis-à-vis the state than the higher professional education institutions, even though this autonomy was limited. In England the universities received their funding in the form of a block grant from the University Grants Committee (UGC) but to get this grant they needed to submit detailed development plans from which they were not allowed to digress (see also Salter and Tapper, 1994). In the Netherlands allocations were earmarked for different categories of expenditure and universities could not use funding from one category for other purposes. In both countries the amount of funding distributed was largely historically based. Universities would get the amount they got the previous year plus some extra funding.

The universities internal allocation mechanisms mirrored the national allocation models. In 1980, in all universities studied funding allocation to faculties or departments was based on decisions by central

management, with some variation in the amount of influence of the University Council or Senate. This decision-making took several forms. In Bath a very powerful Registrar had a dominating influence on financial decisions and the whole procedure by which departments were funded was not very transparent. In Twente it took a much more politicised form with the Executive Board and the University Council meeting once a year to discuss the budget for the following year, a meeting that was often adjourned and saw many amendments to the budget proposal of the Executive Board. In both Groningen and Lancaster the decision-making took a more harmonious form. In Lancaster the Finance and General Purposes Committee played a central role and in Groningen there was simply less opposition to the proposals of the Executive Board.

All of these institutions devolve their budgets approximately based on the national allocation formulas to the university. For the English universities this means that departments are financed on the basis of the number of students studying in those departments, a pure input based model.

In Groningen a mutation model was introduced, this means that based on the amount of funding received the previous year the model calculated the mutation for the budget year for a faculty. These mutations were calculated on the basis of student numbers at the faculty who had not exceeded the maximum amount of study time and the number of graduated students in the faculty. Like the national model Groningen used low tariffs (social sciences and humanities) and high tariffs (natural sciences, engineering and medicine). The only difference with the national models was that these tariffs are topped up for graduated students.

Twente has taken a more radical approach in terms of internal allocation. First, it used five different tariffs for students studying in different faculties. But more important for the purpose of this study it introduced a more output-oriented allocation model. Faculties are funded on the basis of the number of students flowing into the faculty (25%), the number of students who successfully finish their first year (25%) and finally the number of graduates (50%).

In all four universities central management charged the faculties for central expenditures after first allocating the entire budget to the faculties. The universities in this study had the same rationale for this situation in which funding first went to the faculties and then had to be retrieved by the centre. Namely that the primary functions of universities were performed by academics in the faculties, not by central managers, staff or services. The fact that funding is directly devolved to the faculties expresses the greater importance of these processes.

In terms of central management's discretion over the budget a problem that three of the four universities (Bath, Lancaster and Twente) experienced, was that once the funding was devolved it proofed very difficult to retrieve funding for strategic purposes. Basically once faculties had the funding they were reluctant to give it back to central managers. Handing back this funding meant not only that faculties themselves lost it, they were also giving it to central managers for whom it served as a source of power over the faculties. The interesting exception to this rule is Groningen, where central management held considerable strategic funds. In this university there was a central policy fund of approximately 3% of the total university budget, this fund was used for strategic policies that require matching funds of the faculties (the impact therefore was greater than only the 3%).

Table 6.2 Development in the financial structure

	Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
How much discretion over budgets has central management?								
1980	Central decisions on allocation (important role academic registrar)	Central decisions on allocation (Central management and the Senate committee)	Central decision on allocation (Executive board and University Council)	Central decision on allocation (Executive board and University Council)	Local authorities decided	Local authorities decided	State and board of trustees	State and board of trustees
1995	Allocation based on a model that de-centralises all funding and then charges for central services. Therefore little central strategic funding	Allocation model (TRAM) In which all funding is de-centralised and then charged for central services. Little strategic funding	Allocation based on national model, but more central policy funds	Allocation based on a model that de-centralised all funding and then charged for central services. Little central strategic funding	Allocation model that de-centralises funding to faculties. With certain restrictions. No de-centralisation of personnel budgets.	Central management team very influential in allocating funding	Executive board decides on allocation	Executive board decides on allocation, re-allocation and some strategic investments Centre demands all faculties to reserve 5% of budget for innovations
Is there an internal system of lump-sum funding?								
1980	Lump-sum	Centrally fixed budgets	Lump-sum	Centrally earmarked allocations	Minimal freedom at all levels	Minimal freedom at all levels	Minimal freedom at all levels	Minimal freedom at all levels
1995	Lump-sum	Lump-sum	Lump-sum	Lump-sum	deans have freedom outside personnel budgets. Can devolve very limited amounts to heads of departments	Minimal freedom at de-centralised levels	More freedom at programme level, but only in terms of FTEs.	Lump-sum

Is there an internal system of output financing?								
1980	No historical allocation	No, historical and strategic	No, historical allocations	No, historical allocation	No, historical allocation	No, historical allocation	No, historical allocation	No, historical allocation
1995	No, Input based (number of students in a department)	No, Input based (number of students in a department)	Yes, allocation model directly based on national model, but with three year averages	Yes, allocation model based on students flowing in, P- and D-graduates. Maximum changes 3% per year	No, input based (numbers of students in faculties)	No, input based (number of students, but translated in teaching FTEs, not funding)	Yes, allocation model based on national model.	Yes, allocation model based on national model, with re-allocation if faculties do not have balanced budget

Table 6.2 shows the financial developments that have taken place in the eight case studies. At a glance several things are immediately obvious. The first is the very different starting position of universities and higher professional education institutions. The latter, in 1980, had almost no financial autonomy compared to the universities, the budgets of these institutions was largely controlled by local and national authorities.

The second general observation is that developments in all institutions have taken a similar route. From historically based and earmarked allocations to faculties or departments, towards more or less lump-sum allocations based on the national allocation mechanisms. The exceptions are the HES, where funding was not devolved to faculties, since there were none, and Twente, where a more output-oriented model was created. There are, however, important differences between universities and higher professional education institutions. The former, allocate almost all their funding to the faculties and then charge faculties for central services (with the exception of Groningen where the executive board retains central strategic funds). By contrast in higher professional education institutions central management keeps a stronger grip on the allocation of resources. At UWE, which devolves most of its budgets, deans are not allowed to divert personnel budgets for other purposes. In IJselland the Executive Board retains a strategic budget for itself and requires the faculties to spend 5% of their budgets on innovations, i.e. new projects. In Central Lancashire and the HES central management keeps full command over the budgets and only funds departments or *vakgroepen* for personnel expenditures.

As in the case of organisational changes very little difference appears between similar types of higher education institutions in different countries. The variation over the eight case studies is greater than the variation between different countries.

6.1.3. Developments in the external relationships

In universities in both 1980 and 1990 external actors have only been represented on the University Council (Lancaster, Groningen and Twente) or the University Board. Looking at the situation in 1995 it can be judged that there have not been very many developments since then.

Looking at the University Council of the University of Groningen but arriving at more general conclusions Van Geld (1991) concluded that the position of these lay-members was relatively weak. He gave three arguments. First, it was unclear whether they represented some external organisation or spoke on the basis of personal qualities. Second the lay-members were only a small fraction of the University Council. Third, the external members had very different backgrounds and seldom spoke

with one voice. This weak position of the lay members was fortified by the weakening of these councils and boards in general that was discussed above (see developments in organisational structure).

In the higher professional education institutions the situation was only marginally different. In the Netherlands the HES in 1980 had Board of Trustees and a Daily Board with only external members on it. Arguably the position of this Board weakened when the Daily Board was abolished and the Board of Trustees reduced in size. In IJselland some of the schools that merged in 1986 had Boards of Trustees, but the resulting school did not have a Board of Trustees. In these two cases one could again argue that the influence of external actors decreased. When looking at England, the Local Authority had an important (but varying) influence on polytechnics in 1980. In 1995 these institutions had University Boards with lay members. However, while the Local Authority by nature consisted purely of lay members, these are only a minority on the University Board, which also had a weaker position than the former local authorities.

In general then, the influence of external actors both in England and in the Netherlands, both in universities and in higher professional education institutions declined rather than increased. It must be noted however that there are more ways in which external actors can have an influence than through a formal position in the institutions decision-making structures.

There are several developments in universities that point to this greater role. All universities have created a liaison office in some form (i.e. an intermediary between research and business). All universities are increasingly participating in (informal) regional networks, like for example the Regional Development Agencies in England. Or, in the setting up of liaison offices to link the university to external parties (Twente and Groningen)

With regard to the higher professional education institutions the often professionally oriented nature of teaching is a strong link with industry. These institutions require specific industries for student internships and for their graduate job-market. Moreover for certain professions there are professional bodies that need to accredit the study programmes. Lawyers or accountants for example need recognition of their study programme by a professional body to be able to practice.

Table 6.3 Developments in the external relationships

	Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Actors from environment involved in internal decision-making?								
1980	On University Board	On University Council	University Council	On University Council and indirectly through Transfer Point	Represented in Local Authority	Represented in Local Authority	On Board of Trustees	On Board of Trustees
1995	On University Board and through Regional Development Agency	On University Council; Finance and General Purposes committee and indirectly through Regional Development Agency	On University Council and indirectly through Liaison office	On University Council and indirectly through Transfer Point	On University Board of Governors; Boards of Professionals; Regional Development Agencies and Professional accreditation bodies.	On University Board and Faculty Employer Panels	On Board of Trustees indirectly through Specialised study programmes for industry	On Advisory Council and indirectly through regional co-operation

Table 6.3 provides an overview of developments in the relationships the institutions in this study have with external actors. The main conclusion from this table is that giving external actors real decision-making powers in the university this was only happening on a very limited scale in the 1980s and has not developed very much up until 1995. What did develop, in most universities, are regional networks in which universities and higher professional education institutions link with the industries in their environment.

There is a clear difference between the forms these networks take in England and the Netherlands. In England they are nationally initiated (formalised in Regional Development Agencies) whereas in the Netherlands they are usually de-centrally created networks or more temporarily forms of co-operations organised through liaison offices.

Changes in the establishment of study programmes

In each of the eight case studies two study programmes were selected, to see whether there were changes in the way in which they were initiated, designed and decided upon. The results of these (sub)case studies are summarised tables 6.4, 6.5 and 6.6. For each programme both the actors involved and the arguments used are summarised.

Each time programmes established at different times are compared. The early programmes were established in the Netherlands before 1987, when the WHBO was introduced that changed the position of these schools dramatically and in England before 1988 when the polytechnics were separated from the Local Educational Authority. The later programmes were established after these years.

Each section starts with a comparative analysis in which the earlier and later programmes are compared. Developments are then compared between different institutions and the two countries, England and the Netherlands.

6.1.4. The initiation of study programmes

There is a great deal of variety in the establishment of study programmes. Nevertheless, some general trends can be found. The actors that initiate programmes were either academic or managers, with the exception of the very early case of Nursing at IJselland.

In all universities, during the 1980s, academics initiated the study programmes. The case of Twente is mixed as an academic in charge of the teacher-training programme used his influence with the Executive Board to get such a programme in the strategic plan of the university.

For the higher professional education institutions the situation differs in the English and Dutch institutions. The programmes that Central Lancashire and UWE created in the 1980s were initiated by academics with an interest in the subject. At IJselland (note that this is before the merger and IJselland did not yet officially exist) the initiation of Health and Nursing was driven by local government. At the HES, Business and Management (English language) was initiated by an enthusiastic Chairman of the Executive Board. In both cases academics were not involved at this early stage.

When looking at on the 1990s a slightly different picture emerges. In universities the situation is the same and programmes are initiated by academics. But in three of the four higher professional education institutions, central management initiated programmes. It was only at Central Lancashire that Film and Media was initiated by academics.

There is a great variety in terms of the arguments used to initiate a study programme, but some general developments can be distinguished. Study programmes, in these case studies, were initiated for one or more of the following reasons: academic interests, internal politics or growth in student numbers. Alternatively, they were part of a more general strategy. Interestingly, there are almost always several reasons coinciding before a programme is initiated. In universities in the 1980s the research interest of academics plays a central role in almost all initiated programmes. The only exception is Bath where a government scheme gave rise to a new type of mathematics education, a four-year programme that led to a master's title. Initiation was pushed on the one hand by the prestige of the government scheme and on the other a wish to teach students high-level mathematics, which had become impossible due to lower standards in mathematics of secondary school graduates. In Lancaster the academic interest in Women Studies was mixed with the idea that Women Studies was important for both society and the position of women. In Twente Science and Technology was pushed by someone with academic interest, but was adopted in a strategic plan that intended to widen the types of education at the then technical university of Twente.

The institutions of higher professional in England show comparable results. The courses that were created at UWE and Central Lancashire during this period were initiated by teachers with an interest in the content of certain new programme. At UWE this was combined with a 'gut feeling' that there was a market for a programme that combined knowledge of European languages with knowledge of information systems. In Central Lancashire the recent merger with a College of Nursing was an important stimulus for the initiation of

Health Studies, although the programme was initiated by three academics at a coffee-house in Preston. At the HES, where central management initiated the creation of the study programme, the argumentation was more strategic: if real international exchange between students of the HES and similar institution in other countries was to be achieved then an English language programme was a necessity.

In the 1990s this picture of the argumentation remains more or less constant, as the interests of academics are still considered important. However, it of note that decreasing student numbers are an important motivation for departments to create new programmes. In Bath the creation of German and Politics was part of a whole series of programmes that combined languages and politics. This is an easy way to create something new on order to attract more students with elements already available in the department. Most language teachers in Bath were not linguists but area specialists that could also teach the politics of a certain region. In Twente the initiation of Applied Communication Sciences was motivated by the interest of academics but also by the decreasing numbers of engineering students that chose psychology as an optional course. These decreasing numbers necessitated the search for new students. In Lancaster the initiation was more political. An existing programme that covered the subject of media and communications was dominated by linguistics, academics from the departments of psychology and sociology were dissatisfied and pushed for a new programme. Finally, in Groningen the programme of Environment and Infrastructure Planning was set in motion by a professor originally from Delft who saw that his subject was no longer taught in his old university and started it in Groningen.

The higher professional education institutions have changed more fundamentally. As stated above, central management in the 1990s initiated three of the four programmes. In Central Lancashire Film and Media was initiated as a logical addition to design studies, the success in terms of student numbers was a genuine surprise for the academics that initiated the course. At UWE the argumentation to initiate the course is political. The departments of Languages and Law wanted to stay together in one faculty at a time when a larger faculty, of which they were both part, was split. This was permitted by the Vice Chancellor on the condition that they developed a 'new and forward looking' study programme. In the Netherlands the arguments of higher professional education institutions are more related to student numbers. In IJselland there is a wish for more students and Urban and Regional Planning is part of a strategy in which as many new study programmes as possible (in terms of number of staff and expertise of staff) are created. At the

HES the English language programme in International Business and Management was a newer version of the old programme. However, the argumentation for the programme completely changed, as it started to attract mainly Asian students who are interesting for the HES because they pay higher college fees.

In conclusion (see also Tables 6.4a and 6.4b), in terms of the actors that initiate programmes within universities there is very little development over time. Within higher professional education institutions in England some degree of centralisation is suggested by the developments at UWE. In the Netherlands the position of local government in higher education has disappeared from the institutions in this study; central management now initiates new developments.

The arguments behind the initiate of new study programmes have changed as well. In both decades there was almost never only one reason to initiate a study programme. Initiation usually is the result of two or more arguments coinciding. In the 1980s, in universities and English polytechnics interests in a certain subject were important drivers for initiation in all cases. Even in Bath, an exception at first sight, a very important reason to create an undergraduate master's programme was to be able teach high-level mathematics. In the Dutch *Hogescholen* the picture was different. At the HES central management had strategic reasons to create the programme in Business and Management. At IJselland when it initiated nursing, the local government acted out of regional interests.

In the 1990s academic interests were still important. However, it is interesting to note that either fear for decreasing student numbers or a wish to increase student numbers was more often mentioned by respondents. In Bath, Twente, IJselland and the HES this was the case, the HES is slightly different because the programme aimed to attract Asian students (a new market). In Lancaster and at UWE the programmes were a result of internal politics. Finally in Groningen and Central Lancashire academic interests seemed to dominate the initiation of a new study programme. In short there is a great diversity in argumentation, which cannot be attributed directly to either the type of institution or the country in which it is located.

Table 6.4a Initiation of study programmes in the 1980s

Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Name and year of establishment?							
Undergraduate master in Mathematics (1988 – 1992)	Women Studies (1986-1991)	Educational Science and Technology (1980)	Educational Studies (1981)	Languages and information systems (1984)	Health studies (1988)	Business and Management (English language programme) (1987)	HBOV (Nursing), (1979)
Who initiated?							
Academic in department of mathematics (1988)	Academics in different department (1986 one research centre)	Academics in the faculty of social sciences	In strategy paper of the university in the late-1960s. Pushed by influential director of teacher training programme	Three academics in department of languages	Three teachers with an health interest in a coffee-shop	Chairmen of the Executive Board and a group of enthusiasts.	Local government
Which arguments to initiate?							
Existence of government scheme. Students that flow in are less qualified, therefore extra year is necessary. Prestige (only excellent departments in scheme)	Research interests of academics. To a lesser extent importance of the subject for society	Developments in the field of school pedagogy. Sense that field should be multi-disciplinary. Wish to have more students	Individual interest. Fear that the lack of choice at the university (and region) will deter students. Strengthen the regional function of the UT.	The interests of three academics in department of languages. 'Gut feeling' that there was a niche for such a programme. No market research.	Interests of the initiators Merger with a nursing school	More and more students wanted to study abroad. Real exchange is only possible with an English language programme. No market research	Zwolle was already becoming a local centre of higher professional education and wanted to extend this

Table 6.4b Initiation of study programmes in the 1990s

Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Name and year of establishment?							
German and Politics (1995)	Culture Media & Communications (1990)	Environment and infrastructure Planning (1985 – 1992)	Applied Communication (1993)	European languages and law (1990)	Film and Media (1991)	International Business and management Studies (1992)	Urban and Regional planning (1992)
Who initiated?							
Senior academics in department	Academics in the programmes of Linguistics, Psychology and Sociology	Professor from Delft with colleague came to Groningen (1985)	Individual academics with an interest in communication	Vice Chancellor	Academics in the History department (logical development to Design History)	Management of ISER Executive Board	Executive Board
Which arguments to initiate?							
Worries about inflow of students	Dissatisfaction with an existing programme in Human Communication that had become dominated by linguistics	Interest and loss of programme in Delft	Interests of academics involved. Psychology less chosen in a smaller social science part of the engineering curriculum. Sense that employers looked for such a programme	When faculty of humanities, social sciences, languages and law was split up, the latter two wanted to stay together. This was allowed on condition of a programme that combined the two disciplines	Logical part of design history. Great success in student numbers came as surprise.	English language programme created under a wrong licence (to safe time) this needed correction. By now large group of Asian students are an interesting source of funding	Growth in student numbers. Elements for such a programme were available

6.1.5. The design of study programmes

Study programmes in higher education institutions need careful design. This section focuses on the changes that have taken place in the actors involved in the design-process and the arguments they use to create certain programmes.

There is one very constant factor when looking at the actors involved in designing a programme. Academics are at the heart of the design process. This is not surprising, as higher education institutions are highly professional organisations in which the professionals play a central role in defining the content of the primary process. What changed are the external demands with regard to the design-process, in particular universities were confronted with a formalised validation system. In both countries informal peer review was thought more important than formal systems. In England universities were given a free reign in setting up new programmes. In the Netherlands there was a validation procedure for universities but this procedure did not specify what the requirements for a new programme were and was also very political, as the Academic Council (Academische Raad) in which all universities participated needed to give positive advice to the minister. Getting positive advice frequently involved long and complex negotiations that did not focus on the content and quality of the programmes but focussed mainly on which universities were allowed to provide which programmes.

The higher professional education institutions had much stricter validation procedures. In the English polytechnics a strong validation system was already present in the 1980s, governed by the CNAA. For *Hogescholen* in the Netherlands, there was a procedure by which the Inspection could give institutions licences to provide certain courses.

In both England and the Netherlands all higher education institutions were subject to similar validation procedures. For English universities this meant a far greater formalisation of the design procedure in which information regarding the content, the objectives and the costs of the study programme had to be submitted. Moreover external validation committees needed to validate the programme. The procedure is the same for the former polytechnics, but these institutions were already subject to such a system in the 1980s. In the Netherlands the task of advising the minister on a new study programme was taken away from the Academic Council and given to an independent committee appointed by the minister. This made the process less political and more objective than. As part of the process a study into students' and employers' interests in the programme was required. The

same procedure applied to *Hogescholen* in the Netherlands. For them it meant that the intensive scrutiny by the Inspection was over and they received more autonomy.

Although there were few changes with respect to the actors involved in designing the programme there were some changes in the kind of considerations they took into account when designing the new curriculum. In all Universities and in the English polytechnics the design of the programme was based on the (research) interests of the academics involved in the design-process. Interestingly though the case of Science and Technology in Twente stood out as a case in which the interests of employers were carefully considered. In this case the design process was a match of clear perspective on the discipline (for which visits were made to existing programmes in the USA) and professional requirements (for which interviews with potential employers were held). The two Dutch *Hogescholen* do not fit this picture. The HES joined an international network and the curriculum for that network was already determined elsewhere. In the case of Nursing the curriculum was based on developments in other *Hogescholen* at the same time, the curriculum plan (leerplan) was already established by the local government before any teachers were hired. Therefore, it was only later when specific courses were designed that individual academics got some freedom of design.

In the 1990s this subtly changed. Looking at universities the interests of academics still played an important role. However, in Groningen and Twente some research into student and employers interest was undertaken. This kind of research was by then required by the Dutch validation procedure. In English universities the situation is different, looking at Bath, existing disciplines were combined not so much to suit the actual interests of academics, but to widen the participation in language programmes. No real research was undertaken but the designers did closely look at other similar programmes. Only in Lancaster, where the reason to initiate the programme in the first place, was the dissatisfaction of some academics with an existing programme was the new programme completely based on the interests of the academics who participated in the design process. With regard to the higher professional education institutions there seems to be a similar split between the Netherlands and England. IJselland is the best example of a programme that was established with the professional context in mind. To make this possible the designers drew on their experiences with a post initial course and organised a conference for practitioners and academics together. At the HES such input was not necessary as an existing programme that again needed validation had proven successful on the Asian student-market. In England the cases within the former

polytechnics in this study were less aimed at a market. In Central Lancashire the design of Film and Media was based on the interests of the academics involved. At UWE the design was based on the necessity to create a course that combined law and languages. Interestingly, however, in the latter case the Law Society representing the profession did have an important influence on the content of the curriculum, as it could decide whether or not graduates of the programme could practice law.

In conclusion (see Table 6.5a and 6.5b), academics in all higher education institutions, during both periods, were responsible for programme design. The difference between the periods is that in early-1990s in both countries validation procedures are in place; procedures to which universities and higher professional education institutions were both subjected. In terms of the arguments for a specific design it is interesting to see that in the Netherlands the formal requirement of the validation procedure to research student and employers' interest has had an impact. Though it is fair to say that to what extent this impact is real and to what extent a rationalisation of choices made on the basis of other considerations is difficult to discern. What can be said, when comparing reasons for initiation and design of courses, is that employers or student interest is not always present as a reason for initiation, whereas it is a frequent argument for a particular design of the course. This suggests that programmes were chosen for certain reasons and that only later some attention is paid to employers and student interests. In England, both in universities and polytechnics even less research is done into student and employers wishes. At best universities and former polytechnics copy what is successful elsewhere and act on a 'gut feeling' of what employers or students want.

Table 6.5a Design of study programmes in the 1980s

Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Name and year of establishment?							
Undergraduate master in Mathematics (1988 – 1992)	Women Studies (1986-1991)	Science and Technology (1980)	Science and Technology (1981)	Languages and information systems (1984)	Health studies (1988)	Business and Management (English language programme) (1987)	HBOV (Nursing), (1979)
Who designed?							
Academics from mathematics department in Bath	Academics who are combined in above-mentioned research centre.	Faculty committee with different contributing disciplines	Preparatory committee with academics from a range of disciplines	The above-mentioned academics and the faculty validation procedures watched by CNAA	The above-mentioned teachers	HES joined an international network and adopted their programme	Local government civil servants, new director and personnel
Which arguments for specific design?							
Based on the old curriculum of a time when students entering had had more maths in secondary education. Research interests	Based on research interests. Bases on programme design in polytechnics where course was already established	Developments in the fields Wishes of practitioners in the field (informal) Advertisement analysis.	Vision on the discipline (visits to American colleagues) Wishes of employers (interviews)	Very much based on the interests of the initiators. Programme has changed, with less programming skills as a consequence of market demand	Interests of the initiators Merger with a nursing school	Adopted an existing programme (see above)	Based on similar curricula elsewhere

Table 6.5b Design of study programmes in the 1990s

Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Name and year of establishment?							
German and Politics (1995)	Culture Media & Communications (1990)	Technical Environment and Infrastructure Planning (1985 – 1992)	Applied Communication (1993)	European languages and law (1990)	Film and Media (1991)	International Business and management Studies (1991)	Urban and Regional planning (1992)
Who designed?							
Senior academics in department Formalised, due to QAA procedures.	Academics in the programmes of Linguistics, Psychology and Sociology	Academic staff over long period (incremental)	Steering group with the faculties of Business-, Public Admin Philosophy Advisory board with people from the discipline	Academics from both departments Law society (professional recognition) Internal validation mechanism (with external visitation)	Academics in the department	Thirteen schools in the Netherlands co-operated to get IBA accepted by ACO. Support from external bureau.	Academics in the department. Conference with practitioners and other academics
Which arguments for specific design?							
Easy to combine elements already existent in the dep. Or university Based on the combination between Russian and politics	The research interests of the academics involved in designing the programme.	The discipline. Experience in Delft where there was a good labour market for students. Market research was undertaken	Content from the existing disciplines: linguistics & psychology; public and business admin. Informal interviews with people from industry & state admin	The necessity to combine law and languages. The necessity of professional recognition	Interests of academics in the department	Curriculum of the Network left largely intact. Proven success on Asian student-market	Based on the knowledge and skills needed in the discipline Experience with a post initial course in environmental planning and above mentioned conference

6.1.6. The decision-making on study programmes

Academics often play a central role in the initiation and even more in the design of study programmes. The ultimate decision on whether such programmes are established does not lie in their hands. In the Netherlands the final decision is made by the state, but central management has to agree as well. In England the state does not play the kind of overall co-ordinating role, the final decision lies with central managers, who might delegate decision-making authority to the level of the faculty. Since this chapter is not about state-university relationships the focus is on internal decision-making in both countries.

When looking at the 1980s the formal decision regarding new study programmes lies with central management in all institutions apart from UWE and IJselland. At UWE this decision was delegated to the faculty management, i.e. the Dean. For Nursing an entirely different procedure was followed in which local government requested a new programme that was granted by the national authorities. In the 1990s not much changed. Only in IJselland, which after the merger became a full-blown *hogeschool*, with its own internal decision-making procedures in which the Executive Board has the final responsibility.

In terms of arguments not very much has changed either. In the 1980s for most institutions a general desire to grow was the most important reason to decide in favour of a new programme. This needs to be qualified though. First, in all institutions there was a conscious policy of not opposing a new programme that was initiated and designed at de-centralised levels of the organisation. The task of central management was more to stimulate new developments. Second, especially in the 1980s, a strategy of growth does not always imply choosing only programmes that would attract a mass of students. In Bath for example, an undergraduate master's in mathematics targeted at the most talented students was never going to be big in terms of student numbers. Here the prestige of being able to offer such a programme was more important. This did fit in with the strategy of Bath as a small institution to remain in the top ten of the league tables and to keep up its intake of students in general. The same goes for Twente where Science and Technology was chosen not only for the amount of students it could attract but also to widen the diversity of programmes offered at the university. The programmes established in the early-1980s at the HES and IJselland stand out. The HES established its programme not so much to grow in terms of student numbers (by this time it was still keeping the institution small by rigorously selecting students) but to make international exchange of students possible. In the case of Nursing

the decision was based on the desire of Zwolle to become a regional centre for higher professional education.

In the 1990s the strategy of growth was more straightforward in most institutions. Aside from Environment and Infrastructure Planning in Groningen, Film and Media in Central Lancashire and Languages in Law at UWE, all respondents made clear that growth was the most important reason for central management to decide in favour of a study programme. Environment and Infrastructure Planning fitted in with the central management's general strategy of expanding technical education at the university. Film and Media was basically created bottom-up without interference from central management. Finally, the programme of European Languages and Law was created for more organisational reasons, to help to integrate the departments of languages and of law into one faculty.

When looking at the actors involved in the decision-making on new study programmes (see Tables 6.6a and 6.6b) the first thing of note is the remarkable stability. In all institutions the final decision-makers remained the same in both periods. The second is that decisions in general are taken by central management and only at UWE are formally delegated to the faculties. With regard to the arguments that led to a decision in favour of a new programme the most important reason in both periods was expansion in terms of student numbers. In the first period the strategy of growth was less straightforward and not always led to programmes, which directly attracted large numbers of students, with the majority of the programmes in the early-1990s this was the case. Again, these results cannot be related to either countries or specific institutions as they are spread quite randomly.

Table 6.6a Decision-making on study programmes in the 1980s

Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Name and year of establishment?							
Undergraduate master in Mathematics (1988 – 1992)	Women Studies (1986-1991)	Science and Technology (1980)	Science and Technology (1981)	Languages and information systems (1984)	Health studies (1988)	Business and Management (English language programme) (1987)	HBOV (Nursing), (1979)
Who decided?							
Central management (pro forma) Government (in giving Bath privilege to offer programme)	Central management and Senate (but very little influence)	Faculty management	Executive Board	Faculty management, CNAA (external validation)	Central management	Executive Board, Board of Trustees	National authorities
Which arguments to decide in favour?							
Prestige	General strategy of growth	See arguments to initiate	See arguments to initiate.	General wish to grow With a strong support group dean follows.	General wish to grow	See arguments for initiation.	See arguments for initiation

Table 6.6b Decision-making on study programmes in the 1990s

Bath	**Lancaster**	**Groningen**	**Twente**	**UWE**	**Central Lancashire**	**HES**	**IJselland**
Name and year of establishment?							
German and Politics (1995)	Culture Media & Communications (1990)	Technical Environment and Infrastructure Planning (1985 – 1992)	Applied Communication (1993)	European languages and law (1990)	Film and Media (1991)	International Business and management Studies (1992)	Urban and Regional Planning (1992)
Who decided?							
Board of Studies Senate Central Management	Central Management Senate	Executive Board, programme was part of a series of technical programmes in Groningen	Executive Board	Faculty management	Management of the department, but an internal validation procedure	ISER management, Executive Board	Executive Board
Which arguments to decide in favour?							
Growth in student numbers necessary for department	General desire to expand	Fitted in the strategy of technical education.	Growth in student numbers	Forced by central management (to remain together in one faculty)	Bottom-up procedure that is rarely decide against by central and faculty management	Interesting market of Asian students	Fitted with the general strategy of growth

6.2. Conclusions

6.2.1. Summary of empirical findings

In higher professional education institutions the period under observation reveals tumultuous change. From heavily controlled by the state these institutions have developed into independent institutions with their own responsibility for issues like strategic, financial and personnel management. At the same time they have kept these new management responsibilities at a central level. Three of the four institutions (except for the HES which was much smaller than the other three institutions) have created faculties, mostly to deal with the increased span of control of central management as these institutions grew tremendously. In two of them (Central Lancashire and IJselland) this has not led to de-centralisation since deans and the executive board are closely working together in a central management team. Interestingly at the same time the importance of elected councils has become more important, either because they were created (in England) or because they were professionalised (in the Netherlands). By contrast universities have seen a much more moderate pace of change. Universities were already rather autonomous at the beginning of the 1980s. Universities too developed faculties (Lancaster) or strengthened them (Twente and Groningen) but deans and the executive board did not work together in a management team and the creation of faculties therefore genuinely de-centralised the institutions. At the same time the elected councils lost influence. The growing size, complexity and dynamics of the universities meant that central managers with full time positions increasingly operated with an information advantage.

In terms of financial management the first striking fact is the very different starting position of universities and higher professional education institutions. The latter, in 1980, had almost no financial autonomy compared to the universities, local and national authorities largely controlled the budgets of these institutions.

Notwithstanding this difference in the starting positions developments in all institutions took a similar route, from historically based and earmarked allocation of faculty- or department budgets towards lump-sum allocations based on the national allocation mechanisms. The exceptions were the HES, where funding was not devolved to faculties, since there were none, and Twente, where a more output-oriented model was created.

There were important differences between universities and higher professional education institutions. The formers allocated almost all their funding to the faculties and then charged faculties for central

services (with the exception of Groningen where the executive board retains central strategic funds). By contrast in higher professional education institutions central management maintained a stronger grip on the resources.

Finally in terms of relationships with external actors the main conclusion must be that in terms of giving external actors real decision-making powers in the university this was only happened on a very limited scale in the 1980s and has not developed very much up until 1995. What have developed, in most universities, are regional networks in which universities and higher professional education institutions interact with regional industry.

Both in terms of changes in the organisational structure and in financial management there are very little differences between similar types of higher education institutions in the two countries. The variation over the eight case studies is greater than the variation between different countries. In the case of external relationships, in both countries the influence of external parties is limited in all institutions. Instead of this direct influence of external actors, it was found that most universities participated in regional networks together with employers. The way in which these networks operate in both countries is different in England and the Netherlands. In England these networks are nationally initiated (formalised in Regional Development Agencies) whereas in the Netherlands these are usually de-centrally created networks or more temporarily forms of co-operations, in universities organised through liaison offices.

Before summarising the main findings of this study with respect to the initiation, design and decision-making on new study programmes, some general comments should be made. There is a great deal of diversity of the ways in which study programmes are initiated, designed and decided upon. There are several reasons for this. First of all there is some variation in the content of the programmes. Because the universities and higher professional education institutions were selected on the basis of other criteria then the types of programmes they offered this was unavoidable. All of the programmes are aimed at a traditional group of students. Most of them are social science programmes with the exception of mathematics in Bath and Nursing in the Netherlands. But even within the social sciences there is a wealth of difference between Language and Politics on the one hand and Applied Education on the other.

Secondly, there is a wide variation in the way in which departments and faculties are managed. It is not always clear whether one can attribute the way a programme is established to the time period,

type of higher education institution; country or just the way things are done in one specific department.

Thirdly, unlike for example organisational changes in higher education institutions, there are not always many people involved in setting up new study programmes. This gives the individuals that are involved in the establishment of a programme more influence on the process. This in turn makes the whole process more dependent on the differences between people in the different programmes compared here.

This said, by comparing eight programmes and looking for more general developments, but keeping in mind the specific context in which they occurred this study shows that some valid statements can be made.

First, in terms of the actors that initiate programmes within universities there is very little development over time. In English higher professional education institutions some degree of centralisation is suggested by the developments at UWE, where the new programme was established under pressure from the Vice Chancellor. In the Dutch higher professional education institutions as the position of state and local government in higher education has disappeared; central management is now an important initiator of new developments.

The arguments that were used to initiate study programmes changed as well. In both decades in almost none of the cases there is only one reason to initiate a study programme. Initiation was the result of two or more arguments or causes coinciding. In the 1980s, in the universities and the English polytechnics academic interests in a certain subject were important drivers for initiation in all cases. Even in Bath, an exception at first sight since a course was created inside a new government scheme, a very important reason to create an undergraduate master's programme was to be able teach high level mathematics, a very academic motivation. In the Dutch *Hogescholen* the picture is different. At the HES central management had strategic reasons to create the programme in Business and Management. At the predecessor of IJselland the local government acted out of regional interests when they established Nursing in Zwolle.

In the 1990s academic interests were still important. However, it is interesting to note that much more often, fears for decreasing student numbers or a wish to increase student numbers are mentioned. In Bath, Twente, IJselland and the HES this was the case, the HES was slightly different because the programme aimed to attract Asian students, a new market. In Lancaster and at UWE the programmes were a result of internal politics. Finally in Groningen and Central Lancashire academic interests have dominated the initiation of a new study programme.

Second, in all higher education institutions, in both periods, academics/ teachers were responsible for programme design. The

difference between the two periods is that in the 1990s in both counties validation procedures are in place; procedures to which universities and higher professional education institutions both are subjected. In terms of the arguments for a specific design it is interesting to see that in the Netherlands the formal requirement of the validation procedure to research student and employers interest has had an impact. Though it is fair to say that to what extent this impact is real and to what extent it is a rationalisation of choices made on the basis of other considerations is difficult to discern. What can be said is that when looking at the reasons why a programme is initiated employers or student interest were not always present, whereas this is a consideration in the design of the course. This suggests that programmes were chosen first for certain reasons and that only later some attention is paid to employers and student interests. In the English case, both in universities and polytechnics even less research is done into student and employers wishes. At best universities and former polytechnics copy what is successful elsewhere and act on a 'gut feeling' of what employers or students want.

When looking at the actors involved in the decision-making on new study programmes the first thing that strikes is the remarkable stability. In all institutions the ultimate decision-makers remained the same in both periods. The second is that decisions in general are taken by central management, and only at UWE are formally delegated to the faculties. With regard to the arguments that led to a decision in favour of a new programme the most important reason in both periods was expansion in terms of student numbers. There was a change between the two periods in the sense that in the first the strategy of growth is less straightforward and not always leads to programmes which directly attract large numbers of students.

Shifting the focus from differences between types of institutions to differences between countries, the conclusion must be that in general the patterns are the same. In both countries universities showed less developments than higher professional education institutions. Comparing universities and higher professional education institutions between England and the Netherlands revealed little differences between similar institutions in both countries. The only difference was that in the Netherlands, especially in universities there was more market research done when the establishment of a course is decided upon in the period after 1990. This finding is not as significant as it perhaps looks like. First, universities in the Netherlands were simply required to show the results of such a study to get an approval from the state for starting their programme, whereas English universities do not need such approval. In other words universities are fulfilling a duty and are

necessarily focused on external demand. Second, many respondents who were themselves involved in such market research question the validity of the often superficial research that is used to support the claim that there is a demand for the study programme.

6.2.2. Testing the hypotheses

The second chapter introduced four hypotheses dealing with actual changes at the institutional level. The first two focus on a comparison between changes in higher education institutions in different state systems.

- In consensus systems more actual changes are expected in the higher professional education sector than in the university sector.
- In majoritarian systems more actual changes are expected in the higher professional education sector than in the university sector.

The rationale behind these hypotheses is the following. Although the expectation was that in majoritarian democracies policies are made much speedier than in consensus democracies the fact that universities are very de-centralised, fragmented and in terms of their output highly specialised organisations they are able to de-couple themselves from government influence. This means that if government policies lack legitimacy universities will in terms of external communication show their adoption of these policies, while in fact their internal processes do not change. The consensus democracy may be slow in terms of policy change, but might be much more effective when it comes to inducing actual change in institutions. Since higher professional education institutions are differently structured they were expected to be more responsive to government policies. In that situation the majoritarian model with its faster pace of change would mean that more actual change is to be expected in higher professional education institutions in such state models.

In chapter four it was argued that in the longer term the amount of policy change in England is not larger than it is in the Netherlands. If the first hypothesis mentioned above would be true a lot more actual change would be expected in Dutch universities than in the English universities in this study. There is, however, no real evidence to sustain this hypothesis. In terms of changes in the organisational structure, financial management and increasing contacts the developed in much the same way in this period. De-centralisation, lump-sum funding and some kind of co-operation with (local) industry were introduced in all four institutions. With respect to the introduction of new courses the same holds true for the stages of initiation and decision-making. The

only real difference between the Dutch case studies in this study and their English counterparts is the fact that in the Netherlands, when it comes to the justification of new programmes some form of research is done on student interest and employers wishes. However, the respondents made it clear during the interviews that the kind of studies were performed because it was a prerequisite to getting these study programmes validated by the ACO and therefore funded by the national government. This is obviously a far cry from a university that is market oriented, let alone, market driven.

The case of the second hypothesis is somewhat problematic. The argument underlying this hypothesis was that if majoritarian democracies can create faster policy change and if higher professional education institutions, in contrast to universities, would not be able to engage in de-coupling strategies, more actual changes would result in the English polytechnics. But, as has been argued above, in the longer term no more policy changes have been occurring in England. The fact, therefore, that there were no real differences found in the amount of actual changes in the higher professional education institution in both countries cannot be interpreted as a falsification of the hypothesis.

The second set of hypotheses compares the actual changes in different state models, in both universities and higher professional education institutions sectors:

- In university sectors comparable levels of actual changes are expected in majoritarian systems and in consensus systems.
- In higher professional education sectors more actual changes are expected in majoritarian systems than in consensus systems.

The idea behind these hypotheses is that in England, i.e. in majoritarian democracies the above mentioned de-coupling in universities is contrasted with the easier implementation of government policies in polytechnics. In the Netherlands de-coupling processes in universities are expected to occur to a lesser extent therefore the contrast between universities and polytechnics in terms of actual change is expected to be absent.

Only the first hypothesis, listed here, is supported by the evidence found in this chapter. In both systems there is more change in the higher professional education sector than in the university sector. The evidence found reveals that the implementation of change is indeed easier in the more centrally structured organisations like higher professional education institutions. In terms of organisational structure and financial management in all higher professional education institutions central management have gained a much stronger position than central management in universities. In most higher professional

education institutions central management is working closely together with both heads of services and deans or directors of faculties in a central management team that can make far-reaching, strategic, decisions for the entire institution. In universities in 1995 the role of central management is more complicated. In three of the four universities there is an allocation model that allocates all funding to the faculties or departments, which complicates strategic decision-making inside these universities. Moreover, in 1995, in none of the universities are deans, heads of services and central management co-operating in a management team. This contributes to a greater fragmentation of the institutions.

The differences in terms of organisation and financial differences is also reflected in the way in which new study programmes are initiated, designed and decided upon. In three of the four programmes that were created in the early-1990s, central management played a central role in the initiation and decision-making. In the design of these programmes professionals in the sector played an important role. This is in contrast with the universities in both countries, where academics still dominate the initiation and design of new study programmes. Only in the decision-making stage central management is of importance and it is only then that research in the interests of business and students is considered.

There must be some caution when interpreting these results. The starting position of the higher professional education institutions is so different that this makes comparison in terms of amount of change with the university sector very problematic.

The second hypothesis is not supported by the evidence found. There are no real differences between England and the Netherlands in terms of differences in the amount of actual change in universities and higher professional education institutions. As has been described above, when discussing the sixth hypothesis, in both countries, higher professional education institutions show more actual change than universities. This suggests that there is no difference in the amount of de-coupling in majority and consensus systems and that in fact the organisational characteristics of the universities, as well as their different starting position is more important as an explanation of the differences with the higher professional education institutions.

7. Conclusions and reflections

This study has shown the viability of elaborating on the Lijphart's work regarding state models and their consequences for the policy process. In the theoretical chapter a model was developed in which state models in combination with the type of (higher education) institutions create differently shaped networks, which have an impact on policy change and actual change. The original work by Lijphart is thus expanded in two ways.

First types of institutions are taken into consideration, alongside state models. In doing so the study took into account the fact that policies are created in networks in which state, intermediary actors and actors in the policy field interactively create policies and policy change. The study argued that this implies a sole focus on state models is not sufficient to understand policy change.

Second, actual change is looked at in combination with policy change. The idea was that the two are different but (at least sometimes) interrelated types of change. Changes in the objectives and instruments of policies do not automatically translate into changes in organisational and actor behaviour. Moreover, actual change may be the result of developments other than policy change. While the study does not look at the complex relationship between policy change and actual change in great depth, it did shed a light on the actual changes that have occurred in higher education institutions in England and the Netherlands.

This elaborated theoretical model resulted in a number of hypotheses that were tested against the empirical results presented in chapters four, five and six. This chapter moves one step further, to interpret the outcomes of this empirical research. It does not deal extensively with the evidence that underlies the results of the hypotheses testing as this evidence can be found in the conclusions of chapters four, five and six.

The first part of this chapter discusses the outcomes found in the previous three chapters and relates them to the theoretical model created in chapter two. The second part focuses on the wider implications of the results for a number of theoretical and empirical issues.

7.1. Policy networks

7.1.1. Results

Chapter four clearly showed the actual existence of the different networks that were theoretically expected. It was found that, although the networks turned out to be far from static, four networks could be distinguished t
hat to a large extent corresponded with the theoretical expectations. They are presented here because they constitute the basis for the other hypotheses.

The university network in England in the early-1980s was characterised by a central position of the cabinet within the state. The UGC acted as buffer organisation in between the state and the institutions, with the representing organisation for universities, the CVCP closely linked to it. The position of the UGC seriously limited the Cabinet's influence on the policy process and universities were very autonomous, both financially and in terms of content of teaching and research. Internally universities were very de-centralised, with departments enjoying a great deal of autonomy. By 1995, the shape of this network had changed dramatically. The replacement of the UGC by HEFCE meant the state had a much stronger hold over universities. As the CVCP was linked to the UGC, it in turn weakened. In its place lobby groups, such as the Russell group, were lobbying for universities with comparable profiles and interests.

The university sector in the Netherlands in the 1980s was confronted with a much less centralised state than the English university sector. New policies were the result of interaction between ministry, Parliament and intermediary groups. In these interactions the Academic Council, a legally institutionalised organisation with representatives of university and state, played an important role. Universities were autonomous in terms of content of teaching and research, but in terms of finance they were more restricted as they received, de facto, earmarked budgets from the state. Internally universities were very de-centralised. Up to 1995, several changes took place in this network. The Academic Council was replaced with the VSNU, an organisation that represented the interests of universities but was not legally institutionalised. In terms of finance, universities became more independent as a lump-sum funding system was implemented.

In the early-1980s the higher professional education sector in England was characterised by the domination of polytechnics by local authorities. Nationally, the cabinet played an important role through the CNAA and the NAB. The polytechnics were only represented by the CDP, a rather weak interest group. Unlike universities, higher

professional education institutions were tightly controlled by local authorities in financial terms, though in terms of teaching they were autonomous. The polytechnics in this period were small and centralised. After 1988, polytechnics were removed from the local authorities and placed under the PCFC (in 1992 HEFCE). At this time they were relabelled universities, which meant that nominally they had the same position as universities, gaining in terms of financial autonomy as well as the right to validate their own courses. It also meant that they were represented by the CVCP at the national level. These new universities grew quickly through mergers and massification, yet remained centralised compared to universities.

In 1980 the higher professional education sector in the Netherlands was characterised by policies that, at state level, were the result of interaction between ministry, Parliament and intermediary groups. The latter, most importantly the HBO-council, was still rather weak in the early-1980s. The HBOs had very little financial autonomy as their bills and wages were directly paid for by the state. Their autonomy lay in the content of teaching. The HBOs were very small, centralised schools. In the period leading up to 1995 several important developments took place. One was that the HBO-council was growing in strength as a consequence of mergers in the sector. A second development was the greater financial autonomy of the HBOs. Like universities, their funding switched to lump-sum funding. Similar to their English counterparts the HBOs grew massively while remaining more centralised than universities.

7.2. Policy change

7.2.1. Results

Reviewing a period of fifteen years with a focus on different aspects of higher education policy reveals partial evidence for two of the four hypotheses; formulating the expectation of more change both in university and in the higher professional education sector in England than in the Netherlands.

In the short term the English system, seems capable of sudden and dramatic changes in its policies. A host of examples were presented in this study. They included: the 17% budget cuts for the entire university sector; the abolishment of UGC and installation of HEFCE; the introduction of a 'managed market'; the inclusion of polytechnics in the university system; the creation of Quality Assessment Committees bypassing traditional academic autonomy in this domain; and finally, large programmes such as Enterprise in Higher Education. All were

examples of quickly created policies with which universities were confronted without much consultation. In the Dutch system there were no developments comparable to these swift changes in England.

With regard to the longer term, the period from 1980 to 1995, it was not so easy to make the case that English higher education, either in universities or of higher professional education institutions, had witnessed more change than Dutch higher education. In terms of funding, the Dutch system changed more radically than the English. Both countries in both sectors moved in the same direction giving universities and higher professional education institutions (especially the latter), more freedom in the way in how they spent their budgets. This was an important development as it enabled the institutions to act as free standing institutions and not as a de-concentrated part of the state bureaucracy. However, developments in the Dutch system have went further than in England, providing institutions a mixture of input and output funding, giving institutions market-like incentives. In England funding was based on input (i.e. the number of students studying in a specific institution).

Contrariwise, in terms of quality control, the situation radically changed for the universities in England. Quality control in universities in England, like their Dutch counterparts, was based on an informal system of peer review within the institution and particularly within the disciplines. By 1995, universities in England were confronted with a state controlled quality assessment system that scored teaching and made the results public. In the Netherlands the informal system was formalised and a meta-evaluation by the Inspection was added. During this period Dutch HBOs moved from a situation of relatively tight control by Government and the Inspection to a system comparable to that of the universities in 1995. The situation of polytechnics in England which had received regular institutional reviews was changed into to the same as all English universities when they were granted university status.

In terms of the rules and regulations for setting up new study programmes the situation changed more for higher professional education institutions than universities. In the Netherlands, HBOs were given the possibility to develop new programmes by themselves, granted those programmes need to be validated by the Minister after advice of the ACO. In England, the polytechnics are now free to validate their own study programmes although like universities they work with external review committees. However, many of the procedures that were established by the CNAA are still operating because institutions remain using them. In English universities the situation with respect to programme validation has remained more or less the same in that

universities were, and still are, in charge of it. However, the post-1995 procedures were much more formalised in response to demands from the quality assessment committee of HEFCE. In the Netherlands, the situation for universities has changed little. The most important shift has been the abolishment of the Academic Council and the establishment of the ACO. While the Academic Council consisted mainly of representatives from the universities, the ACO is a much more independent committee. This meant on the one hand that universities are not as involved in the validation procedure and on the other that the validation procedure is now less 'political' with an independent committee judging applications.

Finally in higher education industry relationships there is an enormous difference between England and the Netherlands. In England universities and polytechnics were confronted with policy initiatives that sought to strengthen this relationship. In the Netherlands these policies were non-existent.

In short, this study found mixed results with regard to policy changes in the majority and consensus state models, for both the university and the higher professional education sector. It was found that in the short term, indeed, the English, majority system, is capable of swift changes in policies. Chapter four showed that a series of policies and laws were created very quickly often in isolation from actors in the policy network, whereas in the Netherlands changes were slower, with more interest group involvement. Over a longer period (from 1980 to 1995), however, it was found that there are no large differences in the amount of changes accomplished in both countries. At the same time there are a number of differences if the attention is shifted from the changes in general, to specific types of changes that have occurred in both countries.

A comparison of the two higher education sectors in each country showed similar results in both countries. When looking at the differences between policy networks for universities and higher professional education institutions it shows it can clearly be seen that there was more policy change in the HBO sector compared to the university sector in the Netherlands. The direction of the change in these two policy networks however, is very different. In the HBO sector, it was the development of higher professional education institutions into free standing higher education institutions, more or less on a par with traditional universities. Developments in the higher professional education network meant more autonomy for institutions, which was welcomed by them. Contrariwise, developments in the university network meant a different type of steering in which more state

interference and more autonomy was interwoven with unsurprisingly a more mixed response.

A similar result was found when the same two sectors in England were compared. Clearly polytechnics saw more dramatic changes than universities in terms of their place in the higher education policy sector and their organisational structure and size. However, the three areas mentioned above reveal that there is not much difference in terms of policies. As for quality assurance the changes for universities have been more dramatic; government confronted them with a centrally organised quality assessment system, much against their will. Polytechnics by contrast had always been assessed by the CNAA. With regard to funding and degree awarding powers, the amount of changes gives a more mixed picture. In polytechnics changes have been more dramatic, but they have been in the direction of bringing them closer to a (much wanted) university status. This has meant more autonomy, as they were freed from local authority interference. By contrast, universities have had to deal with a reduction in their autonomy. Through the creation of HEFCE and the abolishment of the UGC they lost their main buffer organisation against the state.

7.2.2. Interpretation

There are several insights that stem from an interpretation of these results. A distinction between the short and longer term must be made. In the *short term*, the majority state-model has given the English government the opportunity to change policies quickly relative to their Dutch counterparts. The longer term paints a different picture, however. University funding, for example, shows that the pace of policy change in consensus systems may be slow, but that the outcomes over longer periods can be substantial. The move towards output-oriented funding was made slowly but steadily in the Netherlands, this is not the case in England. This slow but steady change is even more surprising if one considers the fact that there have been coalitions of various parties during this period with different ministers of education. The remarkable stability in the direction of policy change in Dutch policy making during this period suggest that once a course is set out and all actors in the policy sector are more or less committed and aware of the underlying ideas of the course, it might result in stability.

However, this is not true of all fields. In the case of quality assurance systems, changes in England have been much more radical than in the Netherlands. When looking at universities it can be observed that both moved from informal peer review to nationally organised systems. But there was one important difference: in England a change

was made to a system of state control, whereas in the Netherlands the state restricted itself to meta-evaluation (through the Inspectorate) of a system that was controlled by the academics within the disciplines. The move towards centralisation in the area of quality assessment in England was not self-evident. The universities were developing their own system of quality assurance more or less similar to developments in the Dutch system. Government simply overturned these developments and introduced a system of its own.

The apparent contradiction of these developments can be understood through looking at the differences in the type of change. In the case of higher education funding, the Dutch government gave more autonomy in financial terms to the universities. Conversely for English universities, the creation of HEFCE, a council directly linked to the state, arguably meant less autonomy for the institutions compared to a situation in which the buffer organisation UGC allocated funds. The direction of change in the case of quality assurance runs parallel to this development. In both cases the English government has increased state control over the universities, whereas in the Netherlands autonomy has been increased with regards to funding and reduced only to a very limited extent in the case of quality assurance. This trend of growing state control over higher education in England can also be found in the types of policies developed to strengthen the relationships between the universities and industry. Projects like the EHE programme stipulated what universities had to do in order to receive substantial sums of funding. In the tight financial situation of many universities after the 1983 budget cuts, this again meant considerable influence of the government over the universities. The Dutch government developed no such policies.

The picture that emerges is not so much one of more radical change but of more centralisation in England. The majority model, where less negotiation both horizontally with Parliament and vertically with actors in the higher education policy sector is necessary, has facilitated this centralisation. The English government and its ministry of higher education are simply less dependent on actors in the sector for policy-making and have more freedom to assume a course of centralisation.

Switching to the third and fourth hypotheses, comparing policy change in university and higher professional education sectors is more difficult. Although, the policy changes in both sectors have gone in similar directions (in terms of financial allocation models, in terms of quality control, etc.); they have meant very different things for the each sector. This is because both sectors had a very different point of departure in the early-1980s.

Whereas many of the policy changes meant a much greater degree of freedom for the higher professional education institutions, for universities they often had other connotations. Universities were confronted with a state that wanted to shift (in the Netherlands) or increase (in England) its grip. The important point being that policy change is not absolute but should be related to the positions of the actors that are confronted with the policy change. In this case, similar changes have meant different things to the university and the higher professional education sector.

An issue that must be raised in response to these findings is that of *causality*: are networks influencing (the pace of) policies change, or are policy changes shaping networks? Both cases can be argued. The more centralised nature of the higher professional education policy network has greatly facilitated the swift change of policies. One such case is the position of the HBO-council, which on the one hand, through its central position facilitated the process of mergers in the higher professional education sector in the Netherlands. On the other hand, the speed of change in both non-university sectors and the corresponding government role in these sectors also led to a more centralised network. The state was much more involved in these networks, not only because the shape of these networks, but because it saw a necessity to do so. It was as a result of these interventions that the network took its shape.

In conclusion then, the first and second hypotheses were confirmed in the short term, not in the longer term. In part this is a consequence of the remarkable tenacity of the consensus type policy network once a certain course is embarked on, but also, because change in England was not more radical in terms of market orientation, but, paradoxically, in terms of centralisation.

The third and fourth hypotheses were for the reasons given above very difficult to interpret, but they did reveal the interesting issue of interdependency between policy change and the network change.

7.3. Actual change

7.3.1. Results

In chapter six, the analysis of policy change was complemented by looking at actual change in eight higher education institutions. The first issue was whether there were differences between England and the Netherlands in terms of actual changes in universities and higher professional education institutions.

There is no evidence to sustain the hypothesis that more actual change has occurred in Dutch universities compared to the English

universities in this study. In terms of changes in organisational structure, financial management and increasing contacts, they developed in much the same way during this period. De-centralisation, lump-sum funding and co-operation with (local) industry were introduced in all four institutions. With respect to the introduction of new study programmes the same holds true for initiation and decision-making. The only significant difference between the Dutch case studies and the English is the fact that in the Netherlands, when it comes to the justification of new programmes, research is done on student interest and employers wishes. However, the respondents made it clear during the interviews that this was performed because it was a prerequisite for getting these study programmes validated by the ACO and therefore funded by the national government.

Furthermore, no differences were found with regard to actual changes in higher professional education institutions in England and the Netherlands. The expectation that there would be differences was based on two underlying assumptions. First, majority state models are capable of creating more policy change. Second, higher professional education institutions in contrast to universities are not able to engage in de-coupling strategies. In combination, this would mean that more actual changes would result in English polytechnics. However, since in the longer term no more policy changes have been occurring in England, as has been argued above, this explains the absence of differences.

A second issue addressed in chapter six was whether there were differences with regard to actual changes in universities and higher professional education institutions in England and the Netherlands. The idea behind these hypotheses is that in England, a majoritarian democracy, the above mentioned de-coupling in universities contrasts with the easier implementation of government policies in polytechnics. In the Netherlands de-coupling processes in universities were expected to occur to a lesser extent and therefore the contrast between universities and polytechnics in terms of actual change was expected to be absent or at least minor. The idea that there would be more changes in higher professional education institutions than in universities in England was supported by the evidence found in chapter six. In both systems there is more change in the higher professional education sector than in the university sector. This observation falsifies the hypothesis that the legitimising effect of a consensus system eliminates differences in terms of actual change in universities and higher professional education institutions.

The interpretation of these results, however, is more complicated as the starting positions of the higher professional education institutions

were so different. This makes comparison with the university sector, in terms of amount of change, rather problematic.

7.3.2. Interpretation

When reviewing the results of these four hypotheses, the question is why do state models apparently lack impact on actual changes in university and higher professional education sectors? In other words, why are the Netherlands and England so remarkably comparable in terms of policy change and actual change?

At least three alternative (but not mutually exclusive) explanations can be put forward. The first is that higher education is a very typical sector that does not conform to what one would expect based on Lijphart's models. The second is that the effects of the type of policies employed in higher education (or at least the ones that this study has dealt with) are not dependent on the way in which these policies are created (i.e. with or without consultation with the policy-sector). The third possible explanation is that changes are driven by completely different factors of which both policy change and change inside higher education institutions are driven by external factors.

Expanding on the first explanation, higher education and in particular the university sector has a long history of autonomy. The value of independent research and academic training has affected the relationships between the state and higher education in all European countries. Moreover, the complexity of this training and research has prevented direct interference by the state in higher education. This implies that government in both countries has been reluctant to interfere with higher education and therefore that, whatever the state-model and the resulting policy network change is limited and always only take effect after the university sector itself agrees with the direction of change. This explanation, unfortunately, has a number of flaws. First, it fails to explain how substantial policy changes and actual changes have been realised in the university sector. Secondly, it fails to explain why few differences between England and the Netherlands can be identified in the higher professional education sector. Thirdly, it simply denies the traditional role of government in Dutch higher education and the surprising rise of that role in English higher education from the 1980s onwards.

The idea however, that higher education is in some form a special sector and has arguably led to a very specific mode of interference with the sector, leads to the second explanation. Policies in the area of higher education have not been directly aimed at the primary processes of higher education. Instead, these policies have aimed to

change the 'rules of the game' for universities and higher professional education institutions. By altering the allocation models, introducing quality assurance systems and stimulating (in England) the co-operation with industry, governments have changed the contexts in which higher education institutions operate. Strategies of de-coupling only work to a limited extent: if funding is allocated lump-sum, then universities must cope with that new situation. If it is allocated on the basis of output criteria, universities must raise output or lose funding. Similarly, if quality evaluations are published and lead to rankings, then universities must deal with that situation and create internal quality assurance systems, not just to improve quality but also to improve their position on league tables.

The third explanation was that both governments and higher education institutions have been driven by the same external developments. The most important of these developments is massification, in the context of scarce public resources. In response, both governments and institutions have had to find ways to increase the efficiency of their operations.

From a government point of view, lump-sum formula funding is extremely efficient, since it leaves the decision on how to spend the budgets to the higher education institutions themselves. It also facilitates cut backs by simply altering formulas instead of having to deal with complex budgets. At the same time, the introduction of quality assurance systems more or less guarantees that sufficient quality is being delivered.

From the university's point of view, massification has meant having to deal with an enlarged scale and increasingly complicated logistical operations. Centralisation is one reaction to dealing with these logistic processes. Scarcity of funding has led to a greater drive for efficiency and (in combination with formula funding) a drive to create study programmes that are popular and cheap in terms of cost per student.

7.4. Summarising the results

When reviewing the model underlying this study in the light of the results presented above, a few statements can be made. First, with regard to policy networks, it was shown that state models and higher education institutions together have an important influence on the shape of these networks. Four significantly different networks were identified in chapter four.

The impact of the networks on policy change, however, was less convincing. The study showed that in both countries more policy change was generated within the networks of higher professional education. This could be a consequence of the shape of the network, but also of the different positions the higher professional education institutions held in the early-1980s.

Third, it was concluded that there is more actual change within the higher professional education institutions than in universities. One of the explanations for this is the centralised nature of these institutions another is that they were confronted with more policy changes as they were coming from a very different starting position in the early-1980s.

The results and their interpretations suggest several possibilities to refine the theoretical model presented in chapter two. Based on the above, five important results stand out.

First, when discussing policy change a distinction has to be made between the short and longer term. It was shown that in the short term the policy networks in majority models are capable of more policy change, but that in the longer term there is no difference between policy change generated in consensus and majority models.

Second, the direction of policy change is as important as the amount. The policy networks in majority models may not be capable of more policy change. They have been able to centralise the influence over higher education to a much larger extent than policy networks in consensus models.

Third, and also related to the second point, the interaction between policy change and network change is an important factor. Although it was shown that it is easier for cabinets in policy networks in majority models to create policies that centralise control over higher education, the reverse is true as well. Because these centralising policies were developed, the policy networks themselves became more centralised.

Fourth, when looking at actual change and the effects of organisational characteristics on the way in which organisations deal with policies directed at them, it is important to take into account the type of policies. No differences were found between actual changes in universities and higher professional education institutions in England and the Netherlands. One of the reasons for this may very well be the type of steering instruments used by governments. Lump-sum allocation of funding according to certain formulas does not influence universities and higher professional education institutions directly, but through changing the context in which these organisations have to operate. Symbolic compliance while internally resisting change (i.e. de-coupling), is not sustainable for higher education institutions confronted

with such policies. They are very different from policies that, for example, grant funding to universities to engage in interactions with industry. In such cases, securing the funding and engaging in symbolic actions is a possibility.

Finally, an important question is whether policy change is affecting actual change or whether both are direct reactions to broader underlying developments. The relationship between policy change and actual change was raised in chapter two. This study found evidence that there is indeed a positive relationship between the extent of policy change and actual change. The question that remains, however, is whether both the state and higher education institutions have been reacting to similar broad developments in the context of higher education. Even without state policies, higher education institutions would have had to react to the challenges of massification. It is unclear to what extent policy changes have contributed to actual changes beside this.

7.5. Some final reflections

The conclusions drawn above are complemented here with the important question what these results mean for the theoretical foundations on which the on which this study was built? Four areas are commented upon: Lijphart's state models, the use of network theory in explaining policy design, the literature on implementation and the relationship between higher education and the state.

7.5.1. Lijphart's state models

When looking at the results of this study in the light of Lijphart's dichotomy of state-models, three points can be made.

First, Lijphart's approach is limited. In his last work on these matters, he focused on the formal structures at state level only, and then used indicators to show that consensus democracies " are associated with kinder, gentler and more generous policies" (Lijphart 1999, p 294). In doing so he left out an important and interesting middle field. This study showed that between the formal arrangements of the state and outcomes in terms of policies, a long, causal chain exists. Understanding the links in this chain is important as each link may have the ability to influence or even block policies created at state level. It is for that reason that this study looked at state models, policy networks and characteristics of organisations in the policy sector in order to get a more rounded view of what happens when policy changes are made. The

study showed that at least with regard to higher education policies in this period, the shape of networks and characteristics of the organisations in a specific policy sector do matter. Indeed, the differences found in the level of policy change between the university and the higher professional education sector, outweigh the differences between England and the Netherlands.

The general claim in comparative politics that majoritarian democracies are capable of faster policy making than consensus democracies was only partly substantiated in this study. Looking at the short term, England has indeed been capable of swift policy making. On several occasions during the period from1980 to 1995, it has designed policies and decided on them in a fast, centralised and isolated style that would be impossible in the Dutch consensus democracy. Paradoxically, when comparing the two systems over this longer period both countries have shown very comparable levels of policy change.As discussed earlier in this chapter, part of the explanation may be that in consensus models, once a certain course of policy change is accepted by a strong and formalised policy network, this course of policy change is anchored in that network and is slowly but steadily pursued. So while a majority system can enjoy sudden shocks, the consensus model is capable of slow but long sustained policy changes that in the end lead to fairly similar situations.

This result apparently contradicts what Huisman (2003) refers to as the unintended outcomes of the higher education policy network in the Netherlands. He claims that a policy network, in which many actors have a possibility to influence changes, may lead to sudden changes that are not in line with longer term developments in policy. An example of this is the difference between the HOAK paper and the legal translation of this paper in the WHW. Basically, the HOAK paper is much bolder in terms of policy changes then what was eventually laid down in the WHW. Although these kinds of shifts are not uncommon in the Netherlands and often make policy change into an Echternach[9] procession, this is not a contradiction to the conclusions of this study. Instead it reinforces the argument that it is important when looking at policy change over longer periods. Although the WHW may not have been as radical as the HOAK paper, it was a significant change from former legislation and policies in the early-1980s. In other words, the unexpected changes resulting from individual actions within the network are rendered insignificant in comparison to the larger change realised over longer periods.

Finally, in the second chapter two alternative ideas concerning policy change in consensus systems based on the work of Pierson and

[9] Where three steps forward, are followed by two steps backward.

Hemerijck were proposed. First, the visibility of cabinet responsibility for policy changes in a majority system makes policy change that is not favoured by the electorate less likely. However, no evidence was found to support this. One of the explanations for this might be that, although much has changed in higher education, it was never been really prominent on the public agenda. In other words, there was no need for the Cabinet in England to fear electoral results as a result of policy changes in the higher education area.

The second idea was that due to higher levels of trust in well-integrated networks such as networks in consensus democracies, radical change is possible. Again no evidence was found for this. In fact radical short-term change has only been observed in England. Trust may be playing a role in helping to understand why the policy change in the Netherlands has been so unidirectional for such a long period, notwithstanding different governments and parties in charge. Once actors in a network have invested in the amount of trust necessary to set in a new course for developments in policy, it is very costly, both in terms of investments lost and new investments to be made, to change that course of policy.

7.5.2. The concept of policy networks

The study has used the concept of policy networks as the link between the state (and state models) and organisations of the policy sector. Part of the reason for using policy networks in this context is to link a particular shape of the network to the state model in which it operates. The reason for this particular conceptualisation is that one of the typical problems of network theory is that it breaks down the state into many actors in a network, but that it almost never tries to reassemble these actors back to the state level.

One of the underlying ideas of this study has been to combine the strong points of state models (their conceptual rigorousness and their possibilities for comparative research) with the strong points of policy networks (their usefulness as a tool in very precisely describing power and other relationships both inside and outside the state). The analysis of the networks in this study has demonstrated that the state model in which it operates has a definite impact on its shape but also that networks and their different shapes are significant, when it comes to the creation and implementation of policy. This suggests that a combination of both concepts is a useful way of studying the policy process.

There is also another issue that makes the combination important. When looking at England in the early-1980s, it becomes clear

that the university policy network is very atypical for a country with a majoritarian state model. The autonomy the universities enjoyed was greater than their counterparts in the Netherlands. This is reflected in the position of the UGC. However, studying state models does not take into account the diversity of steering in different sectors of society. On the other hand, the speed with which this traditional policy network was overturned during the 1980s can only be understood in the context of the majoritarian model. Such a model allows the governing party (in this case the Conservative party under Thatcher) to pursue an ideologically driven course in which the state could increase its control over the universities in order to change the traditional system of higher education. This again suggests that it is fruitful and sometimes necessary to combine an analysis of state models and networks to get the complete picture.

7.5.3. Implementation: assessing broad policy developments

The results of this study, or rather its method, underscore the importance of developments in implementation literature: to study implementation over a longer term and to contextualise it (Sabatier, 1983). The idea behind studying implementation over a longer time period is that policies may have many (unintended) consequences that only show after a certain length of time.[10] Studying policies in their context reveals many of the objectives that are common to the particular objectives of individual policies.

By choosing a broader development as the focus, a set of interrelated policies have been examined which were established in different areas of higher education and at different times from 1980 to1995. The weakness of such a method is that it is inevitably less defined and less structured than looking at one single policy. The strength, however, is that in 'real life' policies do not exist in isolation, but are part of a larger stream of policies that sometimes form a more or less coherent development. In cases like this it is important to look at the creation and implementation of all those policies in order to assess whether or not fundamental changes are occurring in both policy and institutional behaviour. Moreover, to assess the success or failure of policies that are closely related, it is important to judge every policy (and its implementation) in the context of the other policies. Consider, for

[10] There is a famous story associated to this, when Chou En Lai (apparently the Chinese communist leader was an eager student of French history) was asked: "what do you think of the impact of the French revolution on Western civilisation?" He responded: "Impact of French Revolution on western civilisation - too early to tell"

example, the impact of quality assurance systems. Comparing quality before and after the implementation of such systems is not sufficient. One of the reasons behind such systems was to balance the potential decline of quality due to their increasing size and growing competition for students, which might have potentially led to taking in too many students with lower qualifications. The evaluation of the success of quality assurance must include both this (hidden) objective of counterbalancing a new funding model and the effects this new funding model might have on the quality of higher education.

7.5.4. The state and the co-ordination of higher education

This study started by breaking down the developments from the early-1980s onwards in different policy changes: changing allocation models, the introduction of quality assurance systems, the regulation regarding new study programmes and the stimulation of external relationships of higher education institutions. When reviewing these changes, it is obvious that there is an interesting paradox here; namely, the state using market-like incentives to get a grip on higher education institutions. Governments, both in England and the Netherlands, have used market-like incentives to steer higher education institutions in certain directions, most importantly making them more financially efficient and responsive to societal demands. The introduction of output financing in the Netherlands and the attempt to introduce a bidding market for extra student places in England are used by the state to pressure higher education institutions into becoming more efficient. The introduction of quality assurance and even quality assessment systems forces universities to deliver a certain standard of quality.

At the same time the state is using its state power to introduce markets. In England the state first intentionally increased its grip on higher education by removing polytechnics from local authorities and abolishing the UGC. It then used this stronger position to introduce various market-like incentives. This is less true for the Netherlands where the state already had a much stronger position and where it shifted from one steering mechanism to another.

The contradictory result of a simultaneous centralisation, usually associated with 'control' and growing stress on market incentives, often associated with 'freedom', highlights the limited use of ideal types like 'the market' or 'the state' to understand co-ordination. Used as conceptual lenses ideal types can help to illuminate reality and grasp its underlying structure. But by nature models are partial, in the sense that they illuminate certain aspects of reality and obscure others. This is particularly problematic if two or more models or ideal types are used in

combination as extremes on a scale. Each ideal type has a logic of its own that is destroyed if two of them are mixed in hybrid co-ordination mechanisms. Economic theory is fraught with examples of how the nature of markets change when some of the pre-conditions for a functioning market are not met, e.g. monopolies, oligopolies, or cartels. Similarly state steering, when functioning in its ideal form, requires certain conditions to be met: sufficient power at state level, adequate information, etc. So, what happens when none of these pre-conditions is actually met? This highlights the need to delve one level deeper as this study has done, to see what actors are doing and which mechanisms are operating to create a form of co-ordination.

8. Nederlandse samenvatting

8.1. Introductie

In de jaren 80 werden veel West-Europese landen geconfronteerd met grote veranderingen. De veranderingen voltrokken zich deels binnen het hoger onderwijs, waar massificatie en daarmee een groeiende omvang van het hoger onderwijsbudget op de rijksbegroting een belangrijke trend vormde. Buiten het hoger onderwijs betekende de opkomst van een nieuw paradigma voor fiscaal beleid, het monetarisme, een groeiende druk voor overheden om te bezuinigen. Tegelijkertijd groeide het besef dat hoger onderwijs van belang was voor de nationale economie. Het geheel van deze veranderingen betekende in veel landen een druk op hoger onderwijssystemen en -instellingen om meer studenten, voor minder geld en met een grotere economische relevantie af te leveren.

8.2. Onderzoeksdoelen en vragen

Bovenstaande ontwikkelingen vormen het uitgangspunt van dit proefschrift. Dit proefschrift beschrijft in de eerste plaats de reactie op bovenstaande ontwikkelingen binnen het hoger onderwijs en binnen hoger onderwijsinstellingen in twee landen, Engeland en Nederland, in de periode van 1980 tot 1995. Hoewel beide landen met dezelfde ontwikkelingen werden geconfronteerd hebben zij hierop verschillend gereageerd. Daaruit vloeit het tweede doel van dit proefschrift voort: verklaren hoe en waarom deze verschillen tussen Engeland en Nederland optraden. Deze verklaring wordt gezocht in het werk van de politicoloog Arend Lijphart (1984, 1999). Hij onderscheidt twee typen democratieën, de "majoritarian" en de "consensus" democratie. Engeland en Nederland, respectievelijk, representeren deze twee typen democratieën. Eén van de centrale vragen in het werk van Lijphart en in de discussies rondom dit werk, is welk democratisch model effectiever is in termen van het ontwerpen van, besluiten over en het implementeren van beleid. Bij het beantwoorden van deze vraag gaat dit proefschrift een stap verder dan het model van Lijphart. Het onderzoek van Lijphart beperkt zich tot de formele instituties van de staat en negeert daarbij belangrijke elementen als beleidsnetwerken en andere kenmerken van beleidssectoren. In dit proefschrift wordt daarom naast de vergelijking tussen Engeland en Nederland een vergelijking gemaakt tussen universiteiten en instellingen van hoger beroepsonderwijs in

beide landen. Beide typen sectoren en instellingen hebben verschillende karakteristieken. Het concept beleidsnetwerk wordt gebruikt om de karakteristieken van Lijphart's democratiemodellen en de karakteristieken van typen hoger onderwijsinstellingen met elkaar te verbinden. De toetsing van het theoretische werk van Lijphart en het voortbouwen op dit werk vormen de derde en vierde doelstelling van dit proefschrift.

De onderzoeksvragen die in dit proefschrift centraal staan, zijn daarmee de volgende:

- Leidt de interactie tussen verschillende staatsmodellen en typen hoger onderwijsinstellingen tot verschillende beleidsnetwerken?
- Kunnen verschillen in de mate van beleidsverandering worden verklaard door verschillende tussen de beleidsnetwerken waarin deze veranderingen werden gegenereerd?

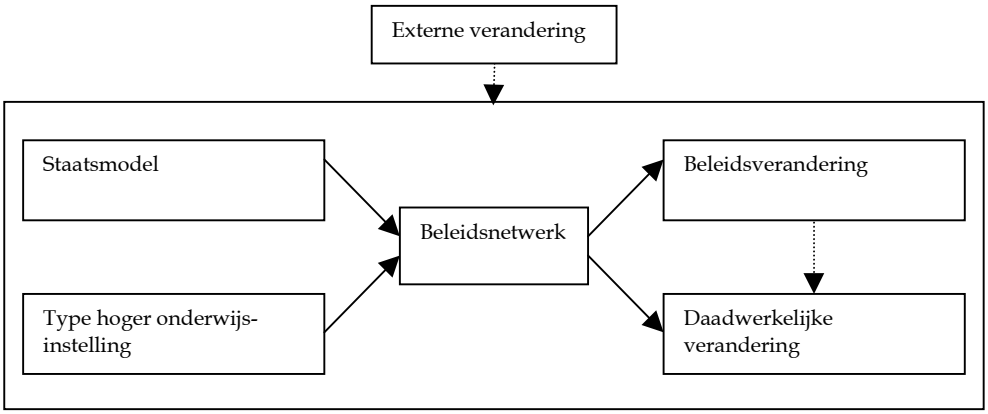
Zoals gezegd is het onderzoek naar deze vragen comparatief en gebaseerd op case studies binnen Nederland en Engeland en de universitaire en hoger beroepsonderwijs sectoren. Dit geeft aanleiding tot de volgende empirische onderzoeksvragen:

- Zijn er verschillen in de beleidsnetwerken in de Engelse en Nederlandse universitaire en hoger beroepsonderwijs sectoren?
- Is er een verschillende mate van beleidsverandering in deze verschillende beleidsnetwerken?
- Is er een verschillende mate van daadwerkelijke verandering in deze verschillende beleidsnetwerken?

8.3. Theorie

Het centrale concept in dit proefschrift is dat van het beleidsnetwerk. Beleidsveranderingen worden bewerkstelligd in beleidsnetwerken waarbinnen verschillende actoren interacteren. Deze interacties zijn niet volledige willekeurig; beleidsnetwerken hebben een min of meer stabiele structuur. Zoals eerder gesteld is het (te testen) uitgangspunt van dit proefschrift dat de structuur van beleidsnetwerken enerzijds wordt beïnvloed door het staatsmodel waarin het netwerk zich bevindt en anderzijds door de karakteristieken van organisaties binnen het beleidsnetwerk. De volgende vooronderstelling is dat verschillen in de structuur van beleidsnetwerken een effect hebben op de hoeveelheid en snelheid van beleidsveranderingen en daadwerkelijke veranderingen die binnen het netwerk worden gegenereerd. Deze redenering wordt samengevat in Figuur 1.

Figure 8.1 Het theoretische model dat de basis vormt van dit proefschrift



De variabelen in dit model worden als volgt gebruikt in dit proefschrift.

Staatsmodel

Zoals gezegd beschrijft Lijphart in zijn werk twee typen democratieën, twee staatsmodellen. Het 'majoritarian model' wordt gekenmerkt door een grote mate van centralisatie van overheidsmacht. Het kabinet rust op een absolute meerderheid in het parlement. In combinatie met een sterke partijdiscipline betekent dit dat het kabinet in alle cruciale beleidsbeslissingen kan rekenen op een meerderheid. Bovendien wordt het model gekenmerkt door een relatieve autonomie van kabinet en parlement vis-à-vis belangengroepen in de samenleving. Deze belangengroepen beïnvloeden op basis van open competitie de politiek.

Dit is in sterk contrast met de 'consensusdemocratie' waarin de macht zowel horizontaal en verticaal verdeeld is. Horizontaal omdat coalitiekabinetten en het parlement dualistisch ten opzichte van elkaar staan en de macht delen. Verticaal omdat een beperkt aantal belangengroepen, op basis van corporatistische structuren een formele positie heeft in het beleidsproces.

Type hoger onderwijs instelling

Zowel in Engeland als in Nederland bestaan twee herkenbare typen hoger onderwijsinstellingen, gegrondvest op twee te onderscheiden tradities: de universiteiten en de instellingen van hoger beroepsonderwijs. Universiteiten worden gekenmerkt door hun autonomie als instelling ten opzichte van de staat, de autonomie van medewerkers binnen de instellingen en de sterk gedecentraliseerde organisatiestructuur waarin leerstoelen of 'departments' veel macht hebben.

Instellingen van hoger beroepsonderwijs hebben minder autonomie vis-à-vis de staat, een minder grote autonomie van medewerkers binnen de organisatie en een gecentraliseerdere organisatiestructuur, waarin het management meer macht heeft.

Beleidsnetwerken

De interactie tussen beide variabelen leidt tot een aantal beleidsnetwerken met verschillende kenmerken, de verschillende beleidsnetwerken kunnen worden samengevat in de volgende matrix.

Tabel 8.1 Vier typen beleidsnetwerken

	Majoritarian	*Consensus*
Universiteit	*Staatsnetwerk* • Centrale positie van het kabinet *Sectoraal netwerk* • Pluralistisch • Autonome positie van instellingen *Instellingsnetwerk* • Autonome positie van de decentrale eenheden binnen de instelling	*Staatsnetwerk* • Centrale positie van parlement en intermediaire organisaties *Sectoraal netwerk* • Corporatistisch • Autonome positie van instellingen *Instellingsnetwerk* • Autonome positie van de decentrale eenheden binnen de instelling
Hoger beroeps-onderwijs	*Staatsnetwerk* • Centrale positie van het kabinet *Sectoraal netwerk* • Pluralistisch • Staat dominant over instellingen *Instellingsnetwerk* • Gecentraliseerde instellingen	*Staatsnetwerk* • Centrale positie van parlement en intermediaire organisaties *Sectoraal netwerk* • Corporatistisch • Staat dominant over instellingen *Instellingsnetwerk* • Gecentraliseerde instellingen

Noot: De indicatoren in deze tabel zijn voor de overzichtelijkheid geformuleerd in absolute termen. Uiteraard gaat het hier echter om relatieve grootheden, die alleen in onderlinge vergelijking kunnen worden vastgesteld.

Beleidsverandering

De theoretische verwachting die in dit proefschrift uitgewerkt word is dat de verschillende beleidsnetwerken leiden tot een verschillende dynamiek in het beleidsproces en daarmee tot verschillende hoeveelheden beleidsverandering.

In het universiteits/ majoritarian netwerk hangt beleidsverandering af van de rol die de staat kiest. Als zij ervoor kiest om snel beleid te produceren dan is dat mogelijk. Ten eerste, omdat de staat zich in dit netwerk kan isoleren van de invloed van belangengroepen. Ten tweede, omdat de staatsmacht in dit netwerk gecentraliseerd is, een beleidskeuze van het kabinet kan op basis van een absolute meerderheid in het parlement worden doorgedrukt. Zoals gezegd is dit waar *als* de staat beslist te interveniëren in een sector. In het geval van universiteiten is de klassieke autonome positie van de universiteiten een reden voor de staat om behoedzaam te zijn bij de keuze voor interveniëren.

Voor het hoger beroepsonderwijs/ majoritarian netwerk geldt hetzelfde als voor het vorige netwerk. Hier geldt echter niet dat de sector traditioneel autonoom is, de verwachting is daarom dat de staat gemakkelijker zal kiezen voor interventie.

In het universiteits/ consensus netwerk is de staat ingebed in een corporatistisch beleidsnetwerk waarin belangengroepen een centrale rol vervullen. Beleidsverandering betekent een onderhandelingsproces tussen vele actoren in het beleidsnetwerk. Dit limiteert de snelheid waarmee beleidsveranderingen kunnen worden doorgevoerd. Dit punt wordt nog versterkt door de traditioneel autonome positie van universiteiten in het beleidsnetwerk.

In het hoger beroepsonderwijs/ consensus model geldt hetzelfde als hierboven, maar de dominante positie van de staat vis-à-vis de instellingen betekent dat de staat makkelijker beleidsveranderingen kan doorvoeren.

Deze overwegingen leiden tot een viertal hypothesen, waarbij moet worden opgemerkt dat in dit proefschrift gekozen is steeds twee landen dan wel typen instellingen met elkaar te vergelijken. Achterliggend idee is dat het uiterst moeilijk is om de mate van beleidsveranderingen op een schaal te ordenen. Paarsgewijze vergelijkingen betekenen dat in onderlinge vergelijking alleen hoeft te worden vastgesteld of er in een systeem meer of minder beleidsveranderingen (of daadwerkelijke veranderingen) zijn. Het gaat dan om de volgende hypothesen:

- In consensus systemen worden meer beleidsveranderingen verwacht in de hoger beroepsonderwijs sector dan in de universitaire sector.
- In majoritarian systemen worden meer beleidsveranderingen verwacht in de hoger beroepsonderwijs sector dan in de universitaire sector.
- In de universitaire sector worden meer beleidsveranderingen verwacht in majoritarian systemen dan in consensus systemen.

- In de hoger beroepsonderwijs sector worden meer beleidsveranderingen verwacht in majoritarian systemen dan in consensus systemen.

Daadwerkelijke verandering

Net als beleidsverandering wordt in dit proefschrift verondersteld dat de vier beleidsnetwerken tot een verschillende mate van daadwerkelijke verandering zullen leiden.

In het universiteit/ majoritarian netwerk kan de regering weliswaar snel beleid maken, maar de verwachting is dat daadwerkelijke veranderingen in universiteiten zich langzaam zullen voltrekken. Hiervoor zijn twee redenen. Ten eerste wordt door de gecentraliseerde en autonome manier van beleid maken geen legitimiteit opgebouwd tijdens het beleidsproces. Ten tweede zullen universiteiten, als gedecentraliseerde instellingen gemakkelijk tot de-coupling overgaan. Door de extreme decentralisatie en de extreme specialisatie van actoren op de decentrale niveaus is het voor universiteiten relatief gemakkelijk om op die niveaus de gebruikelijke manier van werken te continueren, terwijl tegelijkertijd (via het centrale management) de indruk wordt gewekt aan de buitenwereld dat men het beleid implementeert of geïmplementeerd heeft.

In het hoger beroepsonderwijs/ majoritarian netwerk wordt een grote mate van beleidsverandering gecombineerd met een grote mate van daadwerkelijke verandering. De centralisatie van dit netwerk, waarin de staat domineert over de instellingen en de instellingen zelf bovendien gecentraliseerd zijn, faciliteert implementatie.

In het universiteits/ consensus netwerk wordt de mate van beleidsverandering weliswaar lager verwacht dan in de majoritarian netwerken, maar de daadwerkelijke veranderingen hoger. Dit is een consequentie van de legitimiteit die gedurende het (langere) beleidsproces wordt opgebouwd omdat daarin universiteiten (via intermediaire organisaties) betrokken zijn.

In het hoger beroepsonderwijs/ consensus netwerk wordt implementatie gefaciliteerd door de grotere mate van centralisering van het beleidsnetwerk. Omdat er echter minder beleidsveranderingen worden verwacht in dit netwerk, worden ook minder daadwerkelijke veranderingen verwacht.

Deze verwachtingen kunnen als volgt worden vertaald in hypothesen:

- In consensus systemen worden meer daadwerkelijke veranderingen verwacht in de instellingen van hoger beroepsonderwijs dan in de universiteiten.
- In majoritarian systemen worden meer daadwerkelijke veranderingen verwacht in de instellingen van hoger beroepsonderwijs dan in de universiteiten.
- In de universiteiten wordt een vergelijkbare mate van daadwerkelijke verandering verwacht in consensus en majoritarian systemen.
- In instellingen van hoger beroepsonderwijs worden meer beleidsveranderingen verwacht in majoritarian dan in consensus systemen.

8.4. Beleidsnetwerken

Met betrekking tot de eerste onderzoeksvraag wees het onderzoek uit dat hoewel de beleidsnetwerken niet statisch waren er vier duidelijk te onderscheiden beleidsnetwerken bestonden die correspondeerden met de theoretische verwachtingen.

De Engelse universitaire sector werd in de jaren tachtig door een centrale positie van het kabinet. Tussen de staat en de instituties werkte het University Grants Committee (UGC) als een krachtige buffer, waarbij de vertegenwoordigende organisatie van de universiteiten de Conference of Vice Chancellors and Principals (CVCP) nauw gelieerd was aan de UGC. De positie van de UGC limiteerde de invloed van het kabinet op de instellingen. Universiteiten waren zeer gedecentraliseerd, zowel in termen van financieel beleid als in termen van de inhoud van onderwijs en onderzoek. In 1995 was de vorm van dit netwerk drastisch veranderd. De vervanging van de UGC door de Higher Education Funding Council for England (HEFCE), een quango, betekende een veel sterkere grip van de staat op de universiteiten. De positie van de CVCP (die voor een deel afhing van de band met de UGC) verzwakte hierdoor. Daarnaast verschenen lobbygroepen, zoals de Russel group, die een beperkt aantal universiteiten met een vergelijkbaar profiel en belangen vertegenwoordigden.

De universitaire sector in Nederland had in de jaren tachtig te maken met een veel minder gecentraliseerde staat dan Engeland. Beleid was het resultaat van interacties tussen het ministerie, het parlement en intermediaire groepen. In deze interacties had de Academische Raad een sterke (en wettelijk geregelde) positie en bestond uit vertegenwoordigers van universiteiten en de staat. Universiteiten waren zeer autonoom in termen van de inhoud van onderwijs en onderzoek,

maar in termen van financiën hadden ze minder vrijheid dan de Engelse universiteiten, door de, *de facto* geoormerkte budgetten die zij van de staat ontvingen. Intern waren de universiteiten zeer gedecentraliseerd. In de periode tot 1995 voltrokken zich verschillende veranderingen in dit netwerk. De Academische Raad werd vervangen door de Vereniging van Nederlandse Universiteiten (VSNU), een organisatie die de belangen van de universiteiten vertegenwoordigde, maar geen wettelijke positie had. In termen van financiën kregen de universiteiten meer autonomie, omdat de staat voor een lump-sum financieringsmodel koos.

De hoger beroepsonderwijs sector in Engeland werd, in het begin van de jaren tachtig, gekenmerkt door de dominantie van locale autoriteiten over de polytechnics. Nationaal speelde het kabinet een belangrijke rol door middel van zijn invloed via de Council for National Academic Awards (CNAA) en de National Advisory Board (NAB). De intermediaire organisatie van de polytechnics, de Committee of Directors of polytechnics (CDP), was een zwakke belangengroep. Anders dan de universiteiten hadden de polytechnics weinig financiële autonomie omdat het financiële management lag bij de locale autoriteiten. In termen van de inhoud van onderwijs en onderzoek waren zij echter wel autonoom. In deze periode waren de polytechnics zelf kleine gecentraliseerde scholen. Na 1988 verschoof het gezag over de polytechnics van de locale autoriteiten naar nationaal niveau. In 1992 werden de polytechnics vervolgens door de HEFCE gefinancierd net als de universiteiten. In hetzelfde jaar werden de polytechnics herlabeld tot 'universiteit'. Deze verschuiving betekende dat de polytechnics formeel dezelfde positie als de universiteiten hadden, met evenveel financiële autonomie en het recht om eigen studieprogramma's te valideren. Het betekende ook dat de CVCP de intermediaire organisatie werd van alle universiteiten (inclusief dus de voormalige polytechnics).

In 1980 werd het beleidsnetwerk van de Nederlandse HBO's gekarakteriseerd interactie tussen het ministerie van onderwijs, het parlement en de intermediaire organisaties. Deze laatste groep, voornamelijk de HBO-raad, was nog vrij zwak in het begin van de jaren tachtig. De HBO instellingen hadden een zeer beperkte financiële autonomie, rekeningen en salarissen werden direct door de staat betaald. Voor wat betreft de inhoud van het onderwijs waren de instellingen wel autonoom. In de periode tot 1995 vonden een aantal belangrijke veranderingen plaats. Ten eerste werd de HBO-raad sterker. Dit was een consequentie van het grote aantal fusies in de sector, waardoor het aantal te coördineren instellingen verminderde en waarbij de HBO-raad een centrale positie speelde tussen instellingen en ministerie. Een tweede ontwikkeling is de vergroting van de financiële

autonomie van de instellingen; net als de Nederlandse universiteiten werden ook de HBOs lump-sum gefinancierd. Vergelijkbaar met hun Engelse collega instellingen groeiden de HBOs zeer snel, maar bleven gecentraliseerder dan de universiteiten.

8.5. Beleidsverandering

De eerste twee hypothesen van dit proefschrift worden gedeeltelijk bevestigd. In deze hypothesen wordt de verwachting geformuleerd dat er meer beleidsverandering in het hoger beroepsonderwijs en de universitaire sector in Engeland dan in Nederland is.

Het Engelse systeem, zowel in de universitaire als in het hoger beroepsonderwijs blijkt op de korte termijn in staat tot snelle en dramatische veranderingen in beleid. Dit proefschrift presenteert een serie voorbeelden: de bezuinigingen van 17% voor de gehele universitaire sector, de afschaffing van de UGC en de creatie van HEFCE, het experimenteren met een 'managed market', de incorporatie van de polytechnics in de universitaire sector, de creatie van Quality Assessment Committees voorbijgaand aan traditionele academische autonomie op dit terrein en tenslotte het optuigen van grote programma's zoals Enterprise in Higher Education. Dit zijn voorbeelden van beleid waarmee instellingen zonder veel consultatie geconfronteerd werden en die zeer snel gecreëerd werden. In het Nederlands hoger onderwijs zijn hiermee geen parallellen te vinden.

Echter, kijkend naar de langere termijn, de periode van 1980 tot 1995, is er geen hard bewijs dat er inderdaad meer beleidsverandering in Engeland dan in Nederland is geweest. Qua financiering blijkt dat het Nederlandse systeem fundamenteler te zijn veranderd dan het Engelse. In beide landen zijn de ontwikkelingen in een vergelijkbare richting gegaan, waarbij instellingen van hoger onderwijs (maar vooral het hoger beroepsonderwijs) meer vrijheid kregen in de manier waarop ze hun budgetten spendeerden. Dit is een belangrijke ontwikkeling, omdat het de instellingen de mogelijkheid geeft zelfstandig te opereren. In Nederland zijn de financiële ontwikkelingen verder gegaan dan in Engeland. In Engeland is allocatie gebaseerd op input, in Nederland op output, in termen van allocatiemodellen is dit een model dat verder gaat in de richting van marktachtige prikkels.

In tegenstelling tot allocatie is op het terrein van kwaliteitszorg het beleid radicaler veranderd in Engeland. Kwaliteitscontrole in Engelse universiteiten was traditioneel gebaseerd op een systeem van informele "peer review" en zo was het ook aan het begin van de jaren tachtig. In 1995 was deze situatie drastisch veranderd; universiteiten kregen te maken met een evaluatiesysteem in handen van de overheid

en met kwantitatieve scores die publiekelijk bekend gemaakt werden. In Nederland waren de ontwikkelingen in dezelfde periode minder vergaand. Het informele systeem van "peer review" werd geformaliseerd en een meta-evaluatie over het functioneren van het systeem werd toegevoegd. In dezelfde periode werden de HBOs in Nederland minder sterk gecontroleerd door de Inspectie en groeiden naar een situatie die vergelijkbaar was met de universiteiten. In Engeland veranderde de situatie voor polytechnics van regelmatige institutionele reviews naar dezelfde situatie als die van de universiteiten.

In termen van de regulering van het opzetten van nieuwe opleidingen is de situatie veel meer veranderd voor het hoger beroepsonderwijs in Nederland en Engeland, dan voor universiteiten. In Nederland zijn HBOs sinds de WHW in de gelegenheid om zonder de sterke invloed van de inspectie deze programma's zelf te ontwikkelen, hoewel ze net als universiteiten goedkeuring van de minister, op basis van een advies van de ACO nodig hebben. In Engeland werden de polytechnics in deze periode in staat gesteld hun eigen opleidingen te valideren, analoog aan de universiteiten. Voor universiteiten in Engeland is de situatie slechts weinig veranderd tussen 1980 en 1995, al is er wel een formalisering van de interne procedure die departementen moeten volgen bij de validatie van een opleiding. Ook in Nederland is de situatie voor universiteiten weinig veranderd. De belangrijkste verandering is de afschaffing van de academische raad en het instellen van de ACO. Waar de Academische Raad voor een groot deel gevuld was met vertegenwoordigers uit de universiteiten heeft de ACO een relatief onafhankelijke positie.

Tenslotte, waar het gaat om beleid dat de relaties tussen het hoger onderwijs en de industrie versterkt, is er een groot verschil tussen Engeland en Nederland. In Engeland werden universiteiten en polytechnics met verschillende beleidsinitiatieven geconfronteerd die er op gericht waren de relaties met de industrie te versterken; in Nederland zijn geen voorbeelden van zulk beleid gevonden.

Kort gezegd, deze studie vindt gemengde resultaten als het gaat om beleidsveranderingen in consensus en majoritarian modellen, zowel voor de universitaire als de hoger beroepsonderwijs sector. Aan de ene kant is er op de korte termijn bevestiging van beide hypothesen. Aan de andere kant is er op de langere termijn geen verschil in de hoeveelheid beleidsverandering in beide landen, althans deze verschillen per beleidsterrein.

Een vergelijking tussen de twee hoger onderwijs sectoren in beide landen, geeft vergelijkbare uitkomsten voor beide landen. In beide landen zijn er duidelijke verschillen in termen van beleidsverandering

en is er meer beleidsverandering in de hoger beroepsonderwijs sector. Er zijn echter verschillen in de richting van de beleidsverandering. In de Nederlandse hoger beroepssector gaan de veranderingen in de richting van langzamerhand verzelfstandigde instellingen van hoger beroepsonderwijs in welk opzicht zij vergelijkbaarder werden met de universiteiten, dit werd verwelkomd door de instellingen zelf. De ontwikkelingen in de Nederlandse universitaire sector waren minder eenduidig; meer of andere staatssturing op sommige terreinen (bijv. kwaliteitszorg) werden gecombineerd met meer autonomie op andere terreinen (bijv. intern financieel beleid). De respons van universiteiten was dientengevolge minder overwegend positief dan die van de HBOs. In Engeland doet hetzelfde verschijnsel zich voor, maar nog extremer. Waar polytechnics in de periode tot 1995 zich tot universiteiten ontwikkelden, met dezelfde relatie tot de overheid, werd de autonomie van universiteiten drastisch ingeperkt met als hoogtepunt de afschaffing van de UGC en de oprichting van HEFCE.

8.6. Daadwerkelijke verandering

In deze studie is geen bewijs gevonden voor de hypothese dat er meer daadwerkelijke verandering in Nederlandse dan in Engelse universiteiten heeft plaatsgevonden. In termen van veranderingen in de organisatiestructuur, financieel management en toegenomen contacten met de industrie, ontwikkelden de instellingen zich vergelijkbaar. Decentralisatie, interne lump-sum financiering en een zekere samenwerking met de locale industrie werden in alle instellingen ingevoerd. Wel bestaat er verschil met betrekking tot de invoering van nieuwe opleidingen, in die zin dat er in Nederland bij de rechtvaardiging van opleidingen een klein onderzoek wordt uitgevoerd naar de wensen van studenten en werkgevers. Maar de respondenten maakten tijdens de interviews duidelijk dat deze studies werden uitgevoerd omdat ze een formele vereiste vormden voor een positief advies van de ACO (en daarmee het realiseren van de opleiding).

Er is eveneens geen bewijs gevonden voor grote verschillen tussen daadwerkelijke veranderingen in hoger beroeps instellingen in Engeland en Nederland. De verwachting van verschillen, was gebaseerd op twee veronderstellingen: enerzijds dat majoritarian democratieën tot een grotere mate van beleidsverandering in staat waren en anderzijds dat hoger beroepsonderwijs instellingen niet in staat waren tot de-coupling strategieën, zodat meer beleidsverandering zich ook daadwerkelijk in meer daadwerkelijke veranderingen zouden omzetten. Aangezien er in Engeland niet meer beleidsveranderingen waren dan in

Nederland kan dit een verklaring voor de afwezigheid van verschillen zijn.

De tweede set hypothesen richtte zich op de verschillen tussen universiteiten en instellingen van hoger beroepsonderwijs. De theoretische verwachting was dat in Nederland minder de-coupling effecten zouden optreden, dankzij het langere beleidstraject waarin universiteiten een grotere rol spelen en waarin legitimiteit voor het beleid wordt opgebouwd. Deze verwachting werd niet bevestigd. Inderdaad waren in de Engelse polytechnics meer daadwerkelijke veranderingen dan in de universiteiten, maar dezelfde situatie deed zich voor in Nederland. De interpretatie van deze onderzoeksresultaten wordt echter bemoeilijkt door het feit dat de uitgangsposities van beide instellingen zo ver uiteenliggen.

8.7. Interpretatie

Wanneer het model dat de basis was van deze studie opnieuw wordt bekeken is een aantal uitspraken te doen. Ten eerste, waar het gaat om beleidsnetwerken, bleek dat er inderdaad een duidelijke invloed uitgaat van het type staatsmodel en type hoger onderwijs instelling op de vorm van beleidsnetwerken. Vier duidelijke beleidsnetwerken zijn gevonden die overeenkomen met de theoretische verwachtingen. De invloed van deze netwerken op beleidsverandering was minder eenduidig. De studie liet zien dat in beide landen meer beleidsveranderingen werden gerealiseerd in de hoger beroepsonderwijs netwerken en dat dit een gevolg kon zijn van de vorm van het netwerk, maar ook van verschillende uitgangsposities van deze instellingen aan het begin van de jaren tachtig. Bovendien werd geconcludeerd dat er meer daadwerkelijke verandering plaatsvond in de hoger beroepsonderwijs instellingen dan in de universiteiten. Verklaringen hiervoor kunnen gevonden worden in de grotere centralisatie van de structuur van deze instellingen en in het feit dat deze met meer beleids- en daadwerkelijke veranderingen werden geconfronteerd.

De resultaten geven aanleiding tot een verfijning van het theoretische model.

Ten eerste, sprekend over beleidsveranderingen, moet een belangrijk onderscheid gemaakt worden tussen de korte en de lange termijn. Op de korte termijn is het majoritarian model inderdaad in staat tot meer beleidsverandering. Het Engelse kabinet is inderdaad in staat om op basis van een solide meerderheid in het parlement, in korte tijd grote beleidsveranderingen te realiseren. Op de lange termijn, echter, ontbreekt dit verschil tussen beide staatsmodellen. Een verklaring voor

dit feit kan zijn dat wanneer in een consensus netwerk alle actoren hebben ingestemd met een bepaalde beleidswijziging deze nieuwe koers door alle betrokkenen duurzaam wordt ondersteund. Daarbij zou van belang kunnen zijn dat in deze netwerken door de vele intensieve onderhandelingen vertrouwen wordt opgebouwd tussen de actoren. Het inzetten van een majeure beleidsverandering betekent een grote investering in wederzijds vertrouwen, na een beleidswijziging (met andere woorden al alle actoren veel geïnvesteerd hebben in het onderlinge vertrouwen), is een nieuwe verandering uiterst kostbaar.

Een tweede conclusie uit dit proefschrift is dat de richting van beleidsverandering zeker zo belangrijk is als de hoeveelheid verandering. De beleidsnetwerken in majoritarian modellen waren op de langere termijn niet in staat tot het genereren van meer beleidsveranderingen dan de consensus modellen, maar wel tot veranderingen die meer centralisering van het beleidsnetwerk inhielden. De concentratie van macht in het kabinet betekende dat in Engeland sterk centraliserende maatregelen doorgevoerd konden worden. De ontwikkelingen rond het kwaliteitszorgsysteem vormen een goed voorbeeld. De universiteiten waren een gedecentraliseerd systeem aan het ontwikkelen gebaseerd op *peer review*. De regering doorkruiste deze ontwikkelingen met een door de staat gecontroleerd systeem. Een dergelijke situatie is onwaarschijnlijk in een consensus democratie waarin de actoren intensiever overleggen en van elkaar afhankelijk zijn.

Een derde, hieraan gerelateerd punt, is het belang van de interactie tussen beleidsnetwerken en beleidsveranderingen. Hoewel aangetoond is dat centralisering makkelijker is in de beleidsnetwerken binnen majoritarian modellen is het omgekeerde ook waar. Het centraliserende beleid leidde tot meer gecentraliseerde beleidsnetwerken. Na de afschaffing van de UGC in Engeland veranderde het beleidsnetwerk structureel. Maar ook het invoeren van een gecentraliseerd kwaliteitszorgsysteem betekende een grotere centrale macht van de overheid op universiteiten. Omgekeerd werd in Nederland, met de HOAK nota (Hoger Onderwijs Autonomie en Kwaliteit) meer autonomie aan universiteiten gegeven. Daarmee werd de bestaande autonomie binnen het consensus netwerk nog eens versterkt.

Ten vierde, kijkend naar daadwerkelijke veranderingen en de effecten van karakteristieken van organisaties naar de manier waarop beleidsveranderingen worden geïmplementeerd, is het van belang het type beleidsveranderingen te bekijken. Het bewijs voor verschillende hoeveelheden daadwerkelijke veranderingen tussen universiteiten en instellingen van hoger beroepsonderwijs in beide landen was dubbelzinnig, en in het geval van financieel management en

kwaliteitszorg zelfs afwezig. Dubbelzinnig omdat in het hoger beroepsonderwijs in beide landen weliswaar meer daadwerkelijke veranderingen werden gevonden, maar dat er in die sectoren ook meer beleidsveranderingen zijn opgetreden. Eén van de redenen voor het ontbreken van duidelijke verschillen zou kunnen zijn dat het type sturingsinstrumenten dat de overheid in het hoger onderwijs inzette, de-coupling onmogelijk maakt. Door lump-sum te alloceren, gebaseerd op formules, werd niet direct maar indirect het gedrag van hoger onderwijs instellingen veranderd. Deze allocatiemechanismen veranderen de context waarin hoger onderwijsinstellingen opereren. Het symbolisch aanvaarden van beleid, maar intern geen veranderingen doorvoeren is onder deze omstandigheden niet mogelijk. Toch blijkt dat als gekeken wordt naar het primaire proces, in dit proefschrift opgevat als het opzetten van nieuwe opleidingen, er vooral veel veranderd in de manier waarop nieuwe opleidingen extern gelegitimeerd worden. De inhoud van de opleidingen wordt voor een groot deel bepaald door de interesses van academici en docenten die deze opleidingen starten, niet door de vraag van de omgeving.

Ten slotte, is een belangrijke vraag of beleidsverandering leidt tot daadwerkelijke veranderingen of dat deze beide reacties zijn op dezelfde onderliggende ontwikkelingen. In deze studie werd inderdaad bewijs gevonden voor een positieve invloed van beleidsverandering op daadwerkelijke verandering. Lump-sum financiering, kwaliteitssystemen en andere beleidsveranderingen hebben, zoals hierboven is betoogd een effect op de structuur en het gedrag van instellingen. Tegelijkertijd blijft de vraag of de hoger onderwijsinstellingen niet ook zonder beleidsveranderingen hadden moeten reageren op de uitdagingen van massificatie en krappe budgetten. Een aantal beleidsveranderingen en daadwerkelijke veranderingen kunnen beide direct verklaard worden uit de massificatie van het hoger onderwijs. In de context van massificatie is allocatie op basis van formules een logische manier voor overheden om de complexiteit van sturing te verminderen. Er hoeven dan slechts formules te worden toegepast zonder gedetailleerde beslissingen over budgetten. In de hoger onderwijsinstellingen kan centralisatie worden opgevat als een logische reactie op toenemende aantallen studenten en medewerkers. Met de groei van de instellingen veranderen ook de taken van het centrale management.

Bibliography

Atkinson, M.M. & W.D. Coleman (1989), *Strong states and weak states: Sectoral policy networks in advance capitalist economies*, British journal of political science, 19: 47-67.

Atkinson, M.M. & W.D. Coleman (1992), *Policy networks, policy communities and the problems of governance*, Governance: An international journal of policy and administration, 5 (2): 154-180.

Boezerooy, P. (1999), *Higher education along the lines, trends in selected higher education statistics in nine Western European countries*, Enschede: CHEPS.

Brittan, S. (1971), *Steering the economy*, Harmondsworth: Penguin.

Currie, J. & J.A. Newson (eds) (1998), *Universities and globalization: critical perspectives*, Thousand Oaks CA: Sage.

Deetman, W.J. (1984), *Ontwikkelingen rondom het wetsontwerp Hoger Beroepsonderwijs,* in: A.J.J. in 't Groen, F.A. Hörman, J.A.M.Weterman et al (eds) 25 jaar onderwijsbeleid in beeld gebracht, 's-Gravenhage: Voorlichtingsdienst HBO-raad, 111-124.

Downing, K. (1993), *Government at the centre,* in: P. Dunleavy et al (eds) Developments in British politics 4, Basingstoke: Macmillan, 175-193.

Enders, J. & U. Teichler (1997), *A victim of their own success? Employment and working conditions of academic staff in comparative perspective*, Higher education, 34 (3): 347-372.

Enders, J. (2002), *Governing the academic commons: About blurring boundaries, blistering organisations, and growing demands,* Inaugural lecture, Enschede: CHEPS.

Foppen, J.W. (1989), *Gistend beleid: veertig jaar universitaire onderwijspolitiek*, 's Gravenhage: VUGA.

Geld, M.G. van der (1992), *Twintig jaar universiteitsraad Groningen, Jubileumboek*, Groningen.
Goedegebuure, L.C.J. (1992), *Mergers in Higher Education, a comparative perspective*, PhD dissertation, Enschede: CHEPS.

Goodnow, F. J. (1997), *Politics and Administration: A study in Government,* (1900), republished in: Shafritz, J.M. and A.C. Hyde (eds) Classics of public administration, 4th edition, Forth Worth: Harcourt Brace College Publishers, 27-29.

Goor, H. van (1989), *Politieke participatie van collectiviteiten: Pressie groepen,* in: R.B. Andeweg et al (eds) Politiek in Nederland, 3rd rev. edition, Alphen aan de Rijn: Samson, 103-122.

Groot, T.L.C.M. & J.H.R. van de Poel (1993), *Financieel management van non-profit organisaties*, Groningen: Wolters-Noordhoff.

Groot, T.L.C.M. (1988), *Management van Universiteiten: een onderzoek naar de mogelijkheden voor doelmatig en doeltreffend universitair bestuur*, Groningen: Wolters-Noordhoff.

Hall, P.A. & R.C.R.Taylor (1996), *Political science and the three new institutionalisms,* Discussion Paper 96/6, Köln: Max-Planck-Institut für Gesellschaftsforschung.

Hall, P.A. (1986), *Governing the economy in Britain and France: The politics of state intervention*, Cambridge: Polity Press.

Hall, P.A. (1992), *The movement from keynesian to monetarism: Institutional analysis and British economic policy in the 1970's,* in: S.Steinmo, K.Thelen and F.Longstreth (eds) Structuring politics, historical, institutionalism in comparative analysis, Cambridge: Cambridge University Press, 90-113.

Hall, P.A. (1993), *Policy paradigms, social learning and the state: the case of economic policy making in Britain*, Comparative politics, 25 (3): 275-296.

Halpern, S. (1986), *The Disorderly Universe of Consociational Democracy,* in: West European Politics, 9 (2): 181-197.

Heidenheimer, A. J. et al (1990), *Comparative Public Policy, the politics of social choice in America, Europe and Japan,* 3d edition, New York: St Martin's Press.

Hermerijck, A. & J.Visser (1997), *'A Dutch miracle': job growth, welfare reform and corporatism in the Netherlands,* Amsterdam: Amsterdam University Press.

Hill, M. & C. Ham (1984), *The policy process in the modern capitalist state*, New York: Harvester Wheatsheaf Books.

Holliday, I. (1993), *Organised interests after Thatcher, executive*, in: P. Dunleavy et al (eds) Developments in British politics 4, Basingstoke: Macmillan, 307-320.

Hood, C. & Q. James (1994), *The central executive*, in: P. Dunleavy et al (eds) Developments in British politics 5, Basingstoke: Macmillan, 177-204.

Hoogerwerf, A. (1989), *Overheidsbeleid, een inleiding in de beleidswetenschap*, Alphen aan den Rijn: Samson.

Huisman, J. & H.C. Theisens (2001), *Marktwerking in het Hoger Onderwijs*, Tijdschrift voor beleid, politiek en maatschappij, 28 (3): 165-176.

Huisman, J. & I. Jenniskens (1994), *The role of Dutch government in curriculum design and change,* European journal of education, 29 (3): 269-279.

Huisman, J. (2003), *Watching over Higher Education, the brain police?*, Enschede: CHEPS.

Immergut, E.M. (1992), *The rules of the game: The logic of health-making in France, Switzerland, and Sweden,* in: S.Steinmo, K.Thelen and F.Longstreth (eds) Structuring politics, historical, institutionalism in comparative analysis, Cambridge: Cambridge University Press, 57-89.

Jongbloed, B.W.A. (1999), *Prestatiesubsidiëring in het hoger onderwijs: een internationale verkenning*, Openbare uitgaven, 31 (4): 212-221.

Kickert, W.J.M., E.H. Klijn & J.M.F. Koppenjan (1997), *Managing complex networks: Strategies for the public sector*, London: Sage.

Kingdon, J.W. (1995), *Agenda, alternatives and public Policies 2/e,* New York: HarperCollins College Publishers.

Klijn, E.H. & J.M.F. Koppenjan (2000), *Public management and policy networks: Foundations of a network approach to governance,* Public management, 2 (2): 135-158.

Knoke, D. et al (1996), *Comparing policy networks, labor politics in the U.S., Germany, and Japan,* Cambridge: Cambridge University Press.

Kogan, M. & S. Hanney (2000), *Reforming higher education*, London: Jessica Kingsley Publishers.

Letwin, S.R. (1995), *The anatomy of Thatcherism,* London: Fontana.

Lijphart, A. (1984), *Democracies; Patterns of majoritarian and consensus government in twenty-one countries,* New Haven: Yale University Press.

Lijphart, A. (1999), *Patterns of Democracy; Government forms and performance in thirty-six countries,* New Haven: Yale University Press.

Lindblom, C.E. (1959), *The science of "Muddling Through",* Public administration review, 19: 79-88.

Lindblom, C.E. (1979), *Still muddling not yet through*, Public administration review, 39 (6): 517-526.

Linz, J.J. (1994), *Presidential or parliamentary democracy: does it make a* difference?, in: J.J. Linz and A.Valenzuela The failure of Presidential democracy. Vol 1. Comparative perspectives, Baltimore Md: Johns Hopkins University Press, 3-87.

Lukes, S. (1974), *Power: a radical view*, London: Macmillan.
March, G.J. & J.P. Olsen (1989), *Rediscovering institutions: The organizational basis of politics*, New York: Free Press.

Marginson, S. and M. Considine (2000), *The Enterprise University: Power, governance and reinvention in Australia*, Cambridge: Cambridge University Press.

Marsh, D. (ed) (1998), *Comparing policy networks,* London: Open University Press.

Meek, V.L. et al (1996), *The Mockers and the Mocked: Comparative perspectives on differentiation, convergence and diversity in higher education,* Oxford: Pergamon.

Ministerie van Onderwijs en Wetenschappen (1985), *Hoger onderwijs autonomie en kwaliteit,* Den Haag.

Ministerie van Onderwijs en Wetenschappen (1988-2000), *Hoger onderwijs en onderzoek plan*, Den Haag.

Mintzberg, H. (1983), *Power in and around organizations*, Englewood Cliffs N.J.: Prentice-Hall.

Mintzberg, H. et al (1984), *Strategy formation in the university setting,* in: J.L. Bess (ed.) College and university organisation: Insights from the behavioral sciences, New York: New York University Press, 649-660.

Oliver, C. (1991), *Strategic responses to institutional processes,* Academy of Management Review, 16 (1): 145-179.

Olson, J. P (1988), *Administrative reform and theories of organization,* in: Campbell and B.G. Peters (eds) Organizing governance: governing organizations, Pittsburg: University of Pittsburg Press.

Ostrom, E. (1990), *Governing the commons: the evolution of institutions for collective action,* Cambridge: Cambridge University Press.

Peters, G. B. (1998), *Comparative politics, theory and methods,* New York: Macmillan press.

Pfeffer, J. & G.R. Salancik (1978)*, The external control of organizations: a resource dependence perspective,* New York: Harper & Row.

Pierson, P. (1994), *Dismantling the welfare state? Reagan, Thatcher, and the politics of retrenchment*, Cambridge: Cambridge University Press.

Pierson, P. (1998), *Irresistible forces, immovable objects: post-industrial welfare states confront permanent austerity,* Journal of European public policy, 5 (4): 539-560.
Powell, W.W. & P.J. DiMaggio (eds) (1991), *The new institutional in organisational analysis,* Chicago: The University of Chicago Press.

Pratt, J. (1997), *The polytechnic experiment, 1965-1992*, London: Open University Press.

Premfors, R. (1980), *The politics of higher education in a Comparative Perspective: France, Sweden, United Kingdom,* PhD dissertation, Stockholm: Stockholm University.

Pressman, J.L. & A.Wildavsky (1973), *Implementation: how great expectations in Washington are dashed in Oakland, or, Why it's amazing that federal programs work at all, this being a saga of the economic development administration, as told by two sympathetic observers who seek to build morals on a foundation of ruined hopes*, Berkeley: University of California Press.

Procee, H. (2001), *Over klassieke en nieuwe professionals; competenties en universitair onderwijs,* TH&MA, 8 (5): 56-62.

Rhodes, R.A.W. (1997), *Understanding governance. Policy networks, governance, reflexivity and accountability*, London: Open University Press.

Salter, B. & T. Tapper (1994), *The state and higher education,* Ilford: The Woburn Press.

Sartori, G. (1997), *Comparative constitutional engineering: An inquiry into structures, incentives and outcomes*, 2nd edition, Basingstoke: MacMillan Press.

Scharpf, F.W. (1989), *Decision rules, decision styles, and policy choices,* Journal of theoretical politics, 1 (2): 149-176.

Scharpf, F.W. (1997), *Games real actors play, actor-centered institutionalism in policy research,* Boulder CO: Westview Press.

Schippers, H. (1989), *Van tusschenlieden tot ingenieurs, de geschiedenis van het Hoger Technisch Onderwijs in Nederland,* Hilversum: Stichting historie der techniek .

Scott, P. (1995), *The meaning of mass higher education,* London: Open University Press.

Slaughter, S. & L.L. Leslie (1997), *Academic capitalism, politics, policies and the entrepreneurial university,* Baltimore MD: The John Hopkins University Press.

Sommerlad, E. (1993), *The EHE initiative: Program architecture and evaluation design*, Assesment & evaluation in higher education, 18 (3): 177-186.

Stepan, A. (1999), *Federalism and Democracy: Beyond the US Model*, Journal of democracy, 10 (4): 19-34.

Taylor, F.W. (1997), *Scientific management,* excerpts from a testimony before the U.S. House of Representatives (1912), republished in: Shafritz, J.M. and A.C. Hyde (eds) Classics of public administration, 4th edition, Forth Worth: Harcourt Brace College Publishers, 30-36.

Thelen, K. & S. Steinmo (1992), *Historical institutionalism in comparative politics,* in: S.Steinmo, K.Thelen and F.Longstreth (eds) Structuring politics, historical, institutionalism in comparative analysis, Cambridge: Cambridge University Press, 1-32.

Thomas, W.I. & D.S. Thomas (1928), *The child in America: Behavior problems and programs*, New York: Knopf.

Tolbert, P.S. & L.G. Zucker (1983), *Institutional sources of change in the formal structure of organizations: The diffusion of civil service reform 1880-1935*, Administrative science quarterly, 28: 22-39.

Tolbert, P.S. (1985), *Institutional environments and resource dependence: Sources of administrative structure in institutions of higher education,* Administrative science quarterly, 30: 1-13.

Toonen, T.A.J. et al (2002), *Rearranging government; Transformation of regulation and control in the Netherlands,* paper presented at workshop: 'Watchful eyes, oversight, explosions, and, fire alarms? Cross-national perspectives on control over government', ESCR, London.

Trow, M.A. (1974), *Problems in the transition from elite to mass higher education*, Paris: OECD.

Veen, R. van der (1997), *Marktwerking en sociaal beleid. Doelmatigheid en rechtvaardigheid van sociaal beleid bij privatisering van sociale risico's en invoering van quasi-markten,* Tijdschrift voor politieke economie, 20 (2):194-210.

Vught, F.A. van (1994), *Autonomy and accountability in government university relationships,* paper presented at the World Bank Worldwide Senior Policy Seminar on 'Improvement and Innovation of higher education in developing countries', Kuala Lumpur.

Whiteley, T. (1995), *Enterprise in higher education, an overview from the department for education and employment,* Education and training, 37 (9): 9-14.

Wilks, S. & M. Wright (eds) (1987), *Comparative government-industry relations: Western Europe, the United States and Japan*, Oxford: Clarendon Press.

Williams, G.L. (1992), *Changing patterns of finance in higher education,* London: Open University Press.

Williams, G.L. (1997), *The market route to mass higher education: British experience 1979-1996,* Higher education policy, 10 (3/4): 275-289.

Wilson, G. (1994), *The Westminster model in comparative perspective,* in: I. Budge and D. McKay (eds) Developing democracy: comparative research in honour of J.F.P.Blondel, London: Sage, 189-201.

Wilson, J.Q. (1995), *On character: Essays,* Washington D.C.: AEI Press.

Wilson, W. (1997), *The Study of administration,* Political science quarterly 2, June 1887, republished in: Shafritz, J.M. and A.C. Hyde (eds) Classics of public administration, 4th edition, Forth Worth: Harcourt Brace College Publishers, 14-26.

Yin, R.K. (1994), *Case study research, design and methods*, 2nd rev. edition, Thousand Oaks CA: Sage.

Appendix one: list of questions

In this appendix a short overview is given of the questions that were used to operationalise the different variables in this study. These questions have been used as a basis for the analysis of secondary literature, policy documents and semi-structured interviews.

Independent variables

State models

- Is one party in the cabinet responsible for higher education or are several parties involved?
- Does Parliament have a clear influence on the direction of the relevant policy changes in higher education?
- Is Parliament used by interest groups as a point of entry for lobbying?
- Are there a limited number of interest groups that have privileged access to the higher education policy-process?

Type of higher education institution

- How much discretion over funding rests at de-centralised levels?
  - Are budget holders located at the central or de-centralised levels?
  - Are the budget allocations fixed at the central or de-centralised levels?
  - Can funding earned at de-centralised levels be spend freely at de-centralised levels or is some or does some or all of the funding flow to the central level?

- The more decision freedom on the content of teaching and research at de-centralised levels the more de-centralised the institution is.
  - Are the content of research projects and courses established at de-centralised levels?
  - Is there a lack of strong monitoring and control of content and quality of teaching and research at the central level?
  - Is there a strong representation and consultation of de-centralised levels at the central level?

- How many management positions are fulfilled by academics?
  - Are these academics selected for their academic record?
  - Are management jobs temporary and are academics fulfilling them returning to their academic position after their managerial work?
- Are academics involved in financial decision-making?
- Are academics represented and or consulted in decision-making as a group?

Intermediary variable

The network and its characteristics

- Central position of cabinet or Parliament and intermediary organisations
  - (see state model)
- Loosely connected network
  - Do intermediary bodies have an institutionalised position in the decision-making process?
  - Are intermediary bodies interest groups or are they representing institutions in policy process?
- State dominant over institutions
  - How much autonomy do institutions have to determine their institutional policies?
- Centralised institutions
  - (see type of higher education institution)

Dependent variables

The content of policy change

For funding:
- Have finance systems moved from earmarked funding to lump-sum funding?
- Are universities funded for the number of students studying at their institutions or for the number of students leaving the institution?
- Are their quality assessments of the Higher Education institutes and does the quality of an institute affects the funding it receives?

For institutional management:
- Have there been policies that intended to strengthen the position of central university managers versus academics?
- Have there been policies intended to reduce the power of (democratically elected) university and faculty boards over university and faculty management-teams?

For relationships between higher education institutions and industry:
- Have there been policies that intended to strengthen the position of actors in the environment of the university on university management?
- Have there been policies that intended to make universities more economically dependent of external actors?

Actual change

The financial structure
- Has the discretion over the received budgets by central managers indeed increased?
- Is there an internal system of output financing and lump-sum budgeting?

The organisational structure
- Have these structures changed in order to grant a stronger role for central managers.
  - Have central managers gained formal decision-making powers compared to academics and are more of these central managers non-academic managers?
  - Have central managers gained formal decision-making power compared to democratically elected councils?

Industry-institution relationships
- Are actors in the environment increasingly represented in the university decision-making processes?

Setting up new study programmes

- Are those involved in setting up a new study-programme academics, or managers and externals?
  - Who initiated the study-study programme?
  - Who designed the study-programme?
  - Who decided on the study-programme?

- Are the arguments used in the setting up of the study related to academic tradition or external demand?
  - Which arguments were used to initiate a new study-programme?
  - Which arguments were used for the specific design of the study-programme?

Appendix two: institutional case studies

This appendix contains all institutional case studies performed in the course of this research. The case studies are structured along the lines of the operationalisation in chapter three and form the basic material on which chapter five rests.

The following higher education institutions were part of the research project, and their case description can be found in the appendix in this order:

- University of Bath
- Lancaster University
- University of Central Lancashire
- University of the West of England
- Rijks Universiteit Groningen
- Universiteit Twente
- Hogeschool voor Economische Studies Rotterdam
- Hogeschool IJselland

Institutional case study: University of Bath

Bath University is a purpose-built campus university on the outskirts of the city of Bath. Originating as (part of) a long-established technical college in Bristol, Bath became a College of Advanced Technology (CAT) in the late-1950s, thus a leading, teaching oriented, non-university technical institution. Following the Robbins Report of 1963, which recommended upgrading all ten CATs to full university status; Bath became a university and was granted its charter in 1966. The university had a mission requiring it to: "…advance learning and knowledge by teaching and research, particularly in science and technology, and in close association with industry and commerce…"

Bath is a small university with around 4800 undergraduates and 2900 postgraduates. Its size, both at the present moment and at other points in its history, has made it financially vulnerable. The University has built up a strong research base from the 1990s onwards. Commercially produced league tables suggest that the institution is amongst the top ten in the UK for research. Its RAE scores are particularly high in Mechanical Engineering, Business Studies and Social Policy & Administration.

Bath has a long tradition of providing four-year degree programmes, with students being offered the opportunity to spend year three of their degree on an industrial or commercial placement. This is an extremely popular option and across the University as a whole currently more than 60% of students is said to be taking advantage of this opportunity.

Bath attracts large numbers of applicants to areas such as mechanical engineering and physics despite the fact that many technical universities in the UK have experienced recruitment difficulties. Indeed not only is recruitment strong in terms of numbers but in some areas, the institution has been able to ratchet up the entry qualifications of its school leaver intake. The quality assessment scores in engineering disciplines are amongst the highest in the system and, in these disciplines, Bath measures itself against some of the most prestigious UK higher education institutions such as Oxbridge, Imperial College (London), Warwick etc.

Type of higher education institution

In the financial system of Bath, in the early-1980s, heads of Schools or Departments were budget holders responsible for balanced budgets. Several teaching and research programmes existed in one school or department that were informally organised in research groups and

study programmes but not recognised on a central level. Schools and departments had the freedom to fund these informal groups as they saw fit. In other words there was a lot of autonomy at the School level. At the same time, however, all staffing issues depended on the ultimate decision-making by the VC (i.e. a new member of staff could only be appointed after approval of the VC). Because salary costs make up the largest part of the university budget, financially, this meant that there was strong central control. This degree of control remained unchanged up to 1995.

In the allocation model used at Bath, de-centrally-earned funding enters the central allocation model as one of the income streams of a department and is taxed by the centre in the normal way. The only exception occurs when someone is personally invited to a research-project. In such a case the researcher earns a share of the funding and the rest flows into the department (50%-50%). One respondent stated that a large part of these amounts is never reported, a situation encouraged by the VC because in his eyes staff was "so dreadfully paid".

Discretion over the content of teaching and research: central – de-central

In general, influence of the centre on the content of teaching was and is very limited. The VC had lots of ideas (per minute as one respondent stated) but those were largely ignored and he had no time to really look into the teaching process. The only example of a development actively stimulated was the creation of Masters' courses, which were deemed important by the centre.

In terms of quality control, the system employed at Bath tends to mirror the QAA system. The attitude in the university has always been very pragmatic, as one respondent put it: 'We know what they want and we provide it'. The whole process is much resented by many staff members. Historically, quality control was not centrally managed, but since 1995 there is a quality office with more influence. Also in the new organisational structure, the deans are involved in the process of quality management. The importance attached to quality management by the central management of the university is driven by the fact that Bath aims to stay in the top ten of the league tables. That is why subject review was seen as so important. It provides the university with quantitative scores that are important for its status. However, it was never regarded as really useful to improve the actual quality of teaching.

Academics and to a lesser extent, students at de-centralised levels are represented on the Senate, but the Senate is not a very powerful body. The same goes for the university council. According to one respondent: "the council just doesn't know enough to be really

effective. The executive almost always gets its way". Moreover, the existing finance and general purpose committee is not terribly important either. The only exception according to a respondent is, "when you start running significant deficits it does become more important. If there is a crisis it wants to see a plan."

An interesting body is that of the policy-board. It was installed because the heads of departments were afraid that with the installation of deans they would not have direct access to the VC. The policy board, which was supposed to offer countervailing power to centralisation, met only three times a year and lacked the kind of information that was available at the level of the VC and the deans. As one respondent said 'It was never allowed to work, and so it didn't have a chance to upset the existing hierarchies.'

In conclusion, when focusing at the organisational chart, the University of Bath does not seem that centralised, however, when looking at the actual functioning of the system it is. Respondents state that this is a reflection of the demands of government in terms of strategy and quality management. At the same time, according to other respondents a lot of micro-management by the centre is part of the normal state of affairs at Bath.

Discretionary power of academics

All management positions in Bath are fulfilled by academics, for the level of Dean and Vice Chancellor some track record in management is required, but no extensive experience and usually just on the level of a research group or a department. The academic status of senior managers is deemed much more important. Two deans who have been recently appointed are both excellent scholars, one of them a potential Nobel-prize winner.

Apart from the Vice Chancellor and the Deputy Vice Chancellor, there are no permanent posts. The Dean can stay for five years with the possibility of renewing the contract. Apart from their managerial role, they remain professors and are still engaged in (some) research. Heads of departments still stay only three years (with some exceptions).

Apart from their positions as managers the influence of academics is limited. Although, the traditional idea of a university governed by a body of scholars is still nominally the case, much has changed. Senate is still elected and certain cases must still pass through it. But the matters that the Senate is confronted with are much more complex than they were in the early-1980s. This gives the VC and the deans an enormous power because, as full-time managers they know much more than individual members of the Senate do. Moreover, they act as one body with one voice whereas the Senate is much more

fragmented. To create this kind of unanimity among senior managers, there is a Monday morning meeting of the VC, the deputy VC, the deans, the Head of the School of Management and several major directors (the director of finance, the director of personnel and the academic registrar). Finally, according to one senior respondent, "the people who are elected on the Senate are often the well known discontented, with a relatively poor grasp of detail and reality".

Changes within the institution

Bath started off as a relatively small university (about 3000 students), with an organisational structure that was not particularly well thought out. Practically the university was run by the Registrar. Formally this position was purely administrative but in practice, with the registrar in place for a very long period and a Vice Chancellor who has not a very strong manager, the Registrar dominated. One of the respondents described the Vice Chancellor as a, "gentleman scientist who still worked in his laboratory; was not a shrewd operator and was out of his depth as finance became more important in the university management". All this made the Registrar very powerful. As on of the respondents stated: "he ran the university like a grocer shop." This meant that practically everything that was done or decided in the university came across his desk. It also meant lots of patronage and the existence of a small kitchen cabinet (a small group of people running the university). This type of management was much resented by the academics, though it did not lead to an active revolt. An explanation could be the weak position of trade unions and an academic staff that was not highly politicised and that just wanted to be left alone. It did lead to a situation in which academics protected themselves against central management inside the departments. The departments as one respondent stated acted as, 'little kingdoms'. But Heads of departments were (and still are) appointed in Bath for only three years, so that they lacked the kind of information and routine that central management (i.e. the Registrar) had. This meant that while the departments could be bastions against central interference they could not co-decide in important matters. The bastion-like nature of the departments was further strengthened by the ways in which budgets were allocated over departments. Allocations were historically based (i.e. on last year's budget plus inflation and some extras). This made it almost impossible to use funding to force or seduce departments in a certain direction and hence to strategically steer the university. If there were difficulties in departments, however, central management would interfere. At one occasion almost half of the biology technicians were fired and another, horticulture, was integrally abolished. In this situation departments

would get staff salaries directly (and earmarked) paid for by the centre with a small amount of funding for consumables. Centrally there was a budget to maintain the central services plus some funding for the VC, but this funding was never used strategically, just reactively.

With the growth of the university's size, it became increasingly difficult to run the university in such a centralist fashion. On top of this the government demanded more and more accountability of the universities, creating the need for the centre to collect and present information on a far more sophisticated level than the rather crude management techniques allowed. The big shift for the organisation started when a new Vice Chancellor was appointed in 1990. He came from the United States and had a track record in management in a high-level research institute. This new VC knew about finance and organisation. He spotted the registrar as someone he did not want to have around. His management style was characterised by openness, transparency and plain dealing.

In 1991 a new financial management system was introduced with much stronger financial control and more openness about the budget allocation to departments. The financial management system led to a much more open culture compared to the old situation in which funding was distributed from the centre based on historical situations and intractable central decision-making. On the downside, the new system was so complicated that only very few people could understand its exact operations.

Apart from the financial system another key change that was set in by the new VC was the merging of 17 departments into three faculties. On arrival, the VC decided that 17 separate departments were no manageable, especially with growth of the institution and demands for accountability to government. He was confronted with substantial resistance from the departmental level, as the departments under the old regime had erected 'walls' to protect themselves from central interference. In 1997 a faculty system with powerful deans was introduced.

An associated problem of the very strong departments at Bath was the way in which departments running into financial trouble are supported by other departments. Bath University has always been moving funding around the system. In the old organisational structure it was performed by the VC. Now the deans were responsible for the departments. This was accepted for a limited amount of time especially in the faculty of humanities and social sciences, having a more collegiate atmosphere.

Changes in the financial structure

In 1993 Bath saw several major changes in its financial management. Before that time Bath was financially very de-centralised, with schools and departments enjoying a lot of financial autonomy. However, the allocation of this funding was determined by the centre, based on historic factors and marginally on some very intractable decision-making.

In 1992, the above-mentioned VC arrived and a year later installed a much more rigorous and formula driven system that made the income streams explicit. Before this, the departments' income was based on the number of students and research with a percentage sliced of for central services. After the changes, the allocation system moved from top slicing de-centralised budgets to cover central costs to charging de-centralised units on the basis of indicators (e.g., number of students or square meters office space).

Previously, departments did not receive sufficient budgets, even for such indispensable matters as teaching costs. Now based on HEFCE statistics per student cost in different disciplines in all universities, a standard cost of teaching per student in each discipline is established in Bath. In the system almost all funding is distributed and there is hardly any left for central strategic policies. By going down the route of attaching all central expenditure to certain variables, it was very difficult to retain central strategic funding, because all funding had to be explicitly withdrawn from the universities total budget and would therefore face opposition from the departments. Bath has managed to create strategic funds through investment income. This has resulted in funds for research and teaching development, but these are small and not growing

Over the years, the formulas on which allocation is based have not changed. For teaching, they are still based on the amount of students in each department. No attempts have been undertaken to create a more output-oriented model.

Changes in the industry-institution relationships

From its inception Bath was set up to work together with industry. Sandwich courses have always been offered in which employers have always been involved. Recently (after 1995) there is more funding available from central government to work closer together with industry, through the third stream in the HEFCE allocations. There is for example more funding to support and create spin off companies or engage in patenting. There is also a Regional Development Agency with a strong employers-influence that has grown in importance. Aiding the growth is the fact that in the last 7 or 8 years HEFCE has increasingly developed a regional policy.

Comparing two study programmes

Mathematics

The department of mathematics at Bath seems to be the extreme opposite of a market driven department. As one of the respondents stated:

> In general departments like ours are not market driven we tend to decide on what we want to do ourselves. Since mathematics at Bath tops the national league table it does not feel the pressure of student numbers so much (…) The department is inundated with applications (…) Especially on an undergraduate level we control very much what is part of the course.

A new development that did affect teaching in the late-1980s was that of the 'Undergraduate Master' a four-year undergraduate course leading to the Master's title. Undergraduate Master's started in Engineering when, in the early-1980s, professional organisations of engineers made it clear to universities that their undergraduate engineers were not sufficiently well prepared for their jobs. Universities replied that enormous amounts of change had occurred especially in the secondary school curricula, such as the emergence of computer lessons. The introduction of new elements meant a quality decrease of traditional topics, like mathematics. For universities this meant that students were flowing in at a lower level. In response to the pressure from professional engineering bodies, universities claimed an extra year for at least part of their students.

This whole scheme started in engineering, but mathematics claimed to be in the exact same position. After long negotiations between the government and various mathematical societies, government reserved more funding for mathematics too. The programme was only intended for the elite programmes in the country. So when the possibility was introduced competition amongst universities broke loose. In the end Bath with its good scores in Mathematics was allowed to offer the programme. Development of the four-year courses the started in the late-1980s and the Undergraduate Master's were developed in the early-1990s. The content of these courses was driven by academics and to most academics, research was most important. The Undergraduate Master therefore became a research Master (an interesting diversion of the original intention of creating more able professional engineers).

At the end of the day, to establish the content of the programme, academics compared the 'old' curriculum with the present one. They

established what had been lost because of the lower qualifications of the incoming students. This was added to the third and fourth year of the Undergraduate Master Programme. While the first two-years ran parallel the final two years added much more breadth and depth for the undergraduate masters. The extra depth was decided by the academic research interests of teachers.

European Languages

In the department of European Languages several similar programmes have been added during the 1990s, these are Russian and Politics, German and Politics, French and Politics.

The programmes were motivated by worries about the low inflow of students in the language department. The simplest way to do something about this was to add politics to a language. Since most of the people in the department were not actually linguists but area specialists adding politics did not require too much extra staff. Moreover a political science department was available at the university.

The first programme, of Russian and Politics, was added in 1992. This was first and foremost a department decision. Since the department at that time was very collegiate in its decision-making all senior colleagues decided on the new programme through the board of studies. Once the first programme was established, the model could easily be copied. After the Board of studies had decided to engage in Russian and Politics it had to be approved by the Social Science Board of Studies. Then, a short outline of the programme was sent to Senate for approval. In the early-1990s there was neither full cost central accounting nor much interference by the central management of the university.

There has been no extensive market research done among students and employers. What has been done is that external examiners and colleagues in other universities have been asked what their experience was with such programmes. The idea has worked, but did not generate massive student inflow. This is not perceived to be a real problem since the aim was to reach a different sort of students that normally did not study languages. Students interested in politics; male students; older students; students with non-traditional grades or overseas students. These types of students were indeed recruited in the programme.

The whole procedure to establish a new course became much more elaborated for the language and politics programmes that followed later. There were nationally recognised guidelines, especially benchmarking statements and programme specifications to write down. This formalisation was driven by the Quality Assurance Agency in order to create more comparability between courses. These benchmarking

statements are extensive and define profiles for different subjects that specify what each student must know after graduation. The programme specifications are detailed descriptions of learning outcomes, skills that are taught, the structure and content of the programme and the kind of progress evaluations in the programme. The intention of the specifications is to give both students and employers a measure of certainty over what can be expected from a specific programme.

Finally a full programme description was written, a detailed list of every single course on the programme and how many credit points it was worth. This description went to the faculty board of studies (the departmental discussions are informal, and take place in the section that deals with that particular programme). Then, with a detailed assessment of the costs (e.g. staff) it went to the director of finance of the university after whose approval it was sent to Senate.

This formalisation was driven by the central committees, HEFCE and QAA, most importantly through subject review. In the first review Bath did not score very well mainly because of its lack of a formal quality assessment system. It introduced the above-described system in the mid-1990s to improve this score. This has been very successful and the subject review scores are now much better.

The procedure was not just a formality, introduced to artificially improve subject review scores, but it did have a real impact. It standardised the way in which courses are built up and presented. It introduced more team playing among the teachers in a specific course because creating a new course is such a big and collective event. It also made staff much more careful about new initiatives, with more awareness of costs and the needs for procedures. Finally it has given students a better idea of what a degree involves and why.

On the minus side are chiefly the costs of doing all this. The cost of central staff has increased. The costs of the procedures themselves are considerable, especially the time of teaching staff. There is the added problem of making the university less informal and less relaxed, with less opportunity for new things and for informal exchange. Things that used to be discussed collegially are now discussed in formal committees.

Literature

CSET (1999), *Higher education in the national economy; University of Bath, UK case study*, Lancaster: Lancaster University (not published).

Institutional case study: Lancaster University

Historical backgrounds

Lancaster University was founded in 1964 as one in a string of new universities following the Robbins report. These universities were predominantly campus universities that were established outside cities. The universities have also been nicknamed the "Shakespearean seven" which refers to the fact that they are all located in the proximity of cities that occur frequently in the work of the great playwright (i.e. Lancaster, York, Sussex, etc.).

The university is located outside the city of Lancaster on a hilltop geographically isolated in relationship to both the country, where it is one of the most northern universities and to the region, which is in any case a region without much industry.

Although Lancaster is a relatively young university and some new elements were introduced at its inception (like modular teaching), there are also elements that link it to the more traditional university sector. First, Lancaster was set up, with a college system not unlike Cambridge and Oxford and although the colleges never operated as independently as in the Oxbridge universities they did hold some autonomy. Second, many of Lancaster's lecturers in those first years, when the basic structure of the university was laid out were trained at traditional universities. These lecturers were therefore thoroughly socialised in the traditional university system.

Recent developments at Lancaster have been deeply influenced by two financial crises. The first, in the early-1980s, came as a consequence of government cuts in the general higher education budget. The second was a consequence of an ambitious building scheme financed through the capital market that went off course. These two financial crises have led Lancaster to adopt a very strict and centralised financial management. There are two reasons for this centralisation. First, after both crises central management had to make far-reaching decisions on cutbacks. Second, the ongoing fear within the institution that another crisis is always possible led people in this institution to accept a much more centralised financial management. One respondent was particularly candidly, "The crises of '81 and '96 felt very similar in practice, I can't tell you how similar we got out of them, the things that people are prepared to do when they believe that tomorrow there may not be a university."

In terms of organisational structures this creates an interesting ambiguity in the university. On the one hand Lancaster is like most traditional universities: de-centralised in the sense that academics by

and large are the masters of their own research and teaching. On the other hand the financial system supporting these activities is very centrally administered.

Type of higher education institution

Many actors are simultaneously in charge of financial management through an extensive committee structure. Two committees are most prominent. One is the Appointments Group, which has the final decision on any appointment in the university. Since most of the funding the university spends is on salaries, the Appointments Group controls an important part of the university financial management. Members of the appointments group are the Vice Chancellor, the University Secretary, the Director of Finance and the Pro Vice Chancellors. These are central managers of the university, but the Pro Vice Chancellors are recruited from inside the university and usually return to their previous academic posts after their service. This means that after their 'tour of duty' they return to their academic posts. Although these people act as managers, both in terms of their past (and thus their formation) and their future (and thus their long-term interests), they are still academics. The Vice Chancellor is recruited from outside the university, but his academic status is important.

The same holds for the other committee that is central to the universities financial management: the finance and general purposes committee. This committee, consisting of the same members as the appointments group but with some lay members from the University Council, is responsible for all financial policies and answers only to the University Council. In practice decisions of this group are almost never overturned in the council. The Senate is not really involved in financial management, but would like to be more involved. This is also an advice in the report, following Lancaster's second financial crisis in 1996. There are two groups of support staff reporting to the finance and general purposes committee. The first is the Budget Setting Group. This group makes policy proposals for the finance and general purposes committee. Second, is the Budget Review Group that reviews the budget and reports if changes on the agreed budget are made at de-centralised levels.

This strong formal position of the central administration in the financial management of the University of Lancaster does not mean that the centre is dominant. Decision power is fragmented over many individuals. In such a context, making strong financial decisions causes confrontations. Most respondents point out that current management is non-confrontational. Moreover, most of the funding that flows into the university is directly allocated through the internal allocation model.

The funding that central management can use to actually make new policies or steer the organisation is limited to 0.5 per cent of the total.

Discretion over the content of teaching and research: central – de-central
As pointed out in the introduction, there is a contrast between discretion over financial management and over the content of teaching and research in Lancaster. Fundamentally, especially in research universities like Lancaster staff enjoys great autonomy. This means that although central management may control financial management, it is virtually impossible to use this to gain power over the activities of academic staff. Those activities, however, constitute the primary process of the university (i.e. teaching and research). The power of academic staff in terms of power over management may be limited, but their ability to resist managerial interference is extensive. In Lancaster this is reflected in the fact that staff ultimately decides on curriculum innovation and on new research projects. As one of the respondents stated, comparing his experiences in Lancaster to those in Central Lancashire (a former polytechnic):

> In Lancaster it is understood that expertise lies at de-centralised levels. In Central Lancashire all kinds of carrots and sticks are employed to steer curriculum development". And also: "In Lancaster there is the room and the expectation that academics create part of their resources themselves. The funding brought in from contract research creates some free space for academics to engage in their own research.

In addition to the control over the content of the primary process there are a number of other elements that are decided at de-centralised levels. It has already been mentioned that central management has a great influence on the number of staff hired in departments. Apart from some key-appointments, however, in Lancaster the actual choice for a certain individual candidate lies at the level of the department. The capacities and the interests of a candidate are crucial for the content of research and teaching in the university.

In Lancaster the centre is not really involved in quality assessment. Two central-management support-staff members are involved by assisting the departments in carrying out the assessment exercise. There are no directions given from the centre on how quality assessment should be done, involvement is purely facilitating.

Discretionary power of academics
All actors in the Lancaster administration (with the exception of the support staff) hold doctorates or are professors. With the exception of

the Vice Chancellor they are recruited from within the university. At the level of deans and heads of departments the administration is usually not a career move. Academics from the university fulfil these positions for a limited period and return to their previous academic posts afterwards. This means that although management and especially financial management is centralised, the central actors are academics in the sense that both their backgrounds and their future interests are academic.

On top of this, management of the university is organised in a committee structure in which many people are involved in decision-making. Decision-making is based on reaching consensus (and thereby legitimacy) at all levels of the organisation. Through this extensive committee structure many academics have a voice in the university policies, especially those that affect them directly.

At the same time, however, the Senate and the University Council play a limited role. The Council usually follows the decisions of the central managers. In matters of financial management one of the respondents described decision-making in the council as "rubber stamping". The CRILL report, analysing the financial crises, states,

> The committee considered that the Council had not been able to perform its role as the governing body of the university in the period under consideration and that its members, and especially its officers, may not have acted with sufficient frequency or firmness to test the proposals laid before for them. (Rowe, 1997, p. 14)

With respect to the Senate the committee concludes: "that the Senate was not kept adequately informed of the strategic decisions being made on its behalf by the Council." (ibid.)

Changes within the institution

Changes in the organisational structure

The university in its early days was very centralised if alone because it was so small and it grew so fast (from 300 students in 1964 to 5,000 in 1980). In those days the university was governed by the Development Committee consisting of the Vice Chancellor and some key colleagues (e.g. powerful heads of departments and boards of study). The Development Committee was still in charge of the university when the first crisis appeared. As a consequence of national budget cuts the university lost 15% of its income. This resulted in the closure of 6 departments and substantial budget cuts for all other departments. (McClintock, 1994)

The Development Committee realising that a research profile was important for the university annually made £150,000 available, initially for two years for competitive distribution between the four broad academic areas: natural sciences, management, social sciences and humanities. Although the scheme started in 1983 the total amount of funding committed in the end amounted to £900,000.

In the mid-1990s, partly because of a new Vice Chancellor, an ambitious expansion was undertaken in combination with a de-centralisation of financial and other forms of management. The new Vice Chancellor, Hanham, made it clear that he found the amount of detail the VC had to deal with excessive. De-centralisation included the VC not being part of every appointment commission for every member of staff. From the late-1990s onwards and with the exclusion of key-personnel, de-centralised levels could appoint a candidate without interference from the central administration, once they had secured permission from the centre for a new appointment.

A second indicator of de-centralisation was the transformation of boards of studies into faculties. Although faculties were not by then made cost-centres in the university, which was only done in 1997 the Vice Chancellor did make it very clear that he would not meet heads of departments without the presence of a dean. In that way the faculty level became an important factor in the organisational structure of the university.

Finally a new system of financial management, Total Resource Allocation Model (TRAM), was implemented in which funding was lump-sum allocated to departments.

Changes in the financial structure

In the early days of the university the system was extremely centralised, departmental budgets were fixed by the centre and these budgets could not be over-spent. There also was a considerable amount of 'free funding at a central level'.

This model meant that all funding was allocated to de-centralised levels of the university and that the centre started to charge de-centralised units for services rendered. Lancaster was one of the first universities to implement such a model and had the typical problems associated with it. What to do when a department had a deficit? What to do with departmental reserves? At what level must a balanced budget be reached, at the level of the department, the faculty or the university as a whole? None of these were resolved until the financial crisis of 1996. A more critical assessment of the system is that it fragmented financial management to such an extent that people started to lose the overall picture of the university's finances and that big differences were

growing between departments with no instruments to shift funding horizontally.

The financial crisis that arose in 1996 was not a direct consequence of the de-centralised financial management. TRAM may have lead to a lack of clarity on the financial position of the university as a whole. The main factor contributing to the crisis however was the grand building scheme to match the expansionist policies of the university in the early-1990s. The costs of this building scheme were overrun by £2.4 million. Moreover the building scheme was financed through debenture financing on the London Stock Exchange. The debenture was floated at an interest rate of 9.75% for thirty years which was probably more costly than other ways of financing. (Rowe, 1997)

After the crisis of 1996 the centre imposed tighter controls on financial matters. However, as one respondent stated:

> Still, halfway the year people can come up to you and say that programmes are cancelled and the department will contribute less than budgeted. In business you would be fired, but here this is accepted.

Another respondent stated that devolution of power is in fact very limited and that the central financial management controls spending. She pointed out that department spending of their own reserves, for example, is *de jure* allowed but is in fact restricted by so many rules that it is *de facto* impossible. The centralisation of financial management is accepted by the de-centralised units because of a deep-rooted fear of falling back into crisis again.

Changes in the industry-institution relationships

Apart from the University Council where there was a majority of lay-members, (potential) stakeholders were playing a minor role in Lancaster's decision-making processes. There have only been few changes between 1980 and 1995. Most prominently the finance and general purposes committee was chaired by a businessman from outside the university.

Comparing two study programmes

Women Studies

Women Studies started as a shared research interest of several academics at Lancaster in different faculties in 1979. It was basically a small group of people exchanging and debating research in Women Studies. In 1986 this group was formalised into a research centre which allowed it to procure a small amount of funding from the university and

departments to which the different participants belonged. In the same period there were undergraduate courses being developed around the university related to Women Studies. Because of their co-operation in the research centre, the academics involved knew of each other's activities and the separate courses were slowly developed into something that was first more coherent and later into a degree-programme.

The founders of this course benefited from Lancaster's modular teaching. Lancaster had the first combined BA degree in Women studies, which was always studied in combination with English, Sociology and History. Although the university was the first traditional university to set up Women Studies there were combined degrees in polytechnics.

As one respondent put it 'the administrators were benignly aware that something women studies was slowly developing into a full course'. The group of academics who started it was committed to make it happen. In the late-1980s and early-1990s there were enough students for a combined MA and an introductory first year course, this course was launched in 1991. These developments were soon followed by a major in Women Studies. Further development was again incremental, as each year some new step was taken. After 1990, as a consequence of a new accounting mechanism, it was possible to see how much funding Women Studies was making, which turned out to be enough to hire a lecturer in Women Studies. The university came up with an appointment, partly because at that moment the university was in a mode of expansion. Central management was therefore keen to invest in innovations. In 1994, a separate budget was created to clarify the financial position of Women Studies and again a staff member employed.

In terms of the arguments to start up Women Studies first and foremost the academic interests of the academics involved are important. On top of that feminist research was developing rapidly in the mid-1980s and this stimulated developments in Lancaster. Although most people who were keen to build this new study were animated by a very strong sense that this was very important socially, there were concerns about the relationships between feminist activists and feminist academics. Few people were active in both worlds. No market research was undertaken and no estimates of potential student numbers made. However, some use was made of the experience of polytechnics where Women Studies was already taught to learn where students came from and where they went afterwards. It turned out that mature students dominated especially local mature women. To these students, open colleges, which allowed an alternative way of entering into the

university, were very important. In recent years things have changed a lot in Women Studies. Now the research agenda is much more relevant than the courses. Partly due to the introduction of fees and the loss of grants the mature students are now not applying any more. Also Women Studies is perceived as not very useful for the job market which is an increasingly important consideration for students.

Culture Media & Communications

Culture, Media & Communications started in 1990 but its roots go back to Human Communication, a combined degree programme of Sociology, Linguistics and Psychology that was set up in the early-1980s. This programme had become dominated by linguistics, to the dislike of the other departments, who wanted something more balanced. The new study that grew from this was Culture & Communications.

In initiating the study, the negotiations between the academics representing their department were solely concerned with the content of the new programme. "People wanted to do things that were close to their research interests about what they were excited. So people from departments could teach the stuff they liked." One person was made responsible for the process of creating a new programme. Once it was established, however, it was hard to get people to teach on it. The study started very small, but rapidly grew very big. In the same period, financial decision-making was devolved to deans and heads of departments. More and more heads of departments were made responsible for their departments breaking even. Culture & Communications with 320 students brought in an enormous amount of funding. The departments each received a third of that sum and therefore had a great interest in the study.

Central management decided that a programme of such a size should be independent and benefit from its own revenues. This meant that the revenues went to the faculty first, which gave 75% back to university instead of the normal 40% via departments. Culture and Communications had become something of a cash cow. Revenues were reaped without new investments being made. For example no new staff members were recruited to teach on the programme.

Then in 1994-1997 a gradual decline in number of applicants set in. Central management proposed to put in the term Media to attract more students. This simple name change was very successful and numbers rose quickly. The name change was market driven and solely based on a gut feeling of central management to copy what was going on in other higher education institutions. The content of the programme remained intact. It still is very academic, which is odd for media programmes, without for example opportunities for internships with

radio and TV broadcasters. There are links with local media or TV but unlike other media degrees in the UK, these actors are not represented on the board.

Literature

CSET (1999), *Higher education in the national economy; Lancaster University, case study*, Lancaster: Lancaster University (not published).

Rowe, P. (1997), *Review of the institutional lessons to be learned 1994-1996,* Lancaster: Lancaster University.

McClintock, M.E. (1994), *The University of Lancaster, the first thirty-five years,* Lecture delivered to the Summer School programme of Lancaster University, (updated 1999).

Institutional case study: University of Central Lancashire

Historical backgrounds

Central Lancashire traces its roots back to the Institution for the Diffusion of Knowledge in 1828. It was expanded due to a legacy from E.H. Harris, a local benefactor in 1887 and subsequently named after him. The Harris Institute became Harris College and evolved in 1973 into Preston Polytechnic, the last of the polytechnics to be founded. In 1984 it was renamed Lancashire Polytechnic to reflect its service to the wider region of Lancashire. In 1992 it obtained university status. The history of the university as well as its location close to the city centre of Preston ties the university to the region and the city.

As Preston Polytechnic the institution offered a variety of advanced further education, professional diplomas and sub-degree courses, many of which reflected its strong links with industry, commerce and public service. Whilst under the auspices of the Council for National Academic Awards (CNAA), the Polytechnic gradually introduced a number of first-degree programmes, in particular a Combined Studies programme. During the late-1980s and early-1990s the university developed a full array of Bachelor's, Master's and a limited number of Ph.D. courses. The history of this institution is that of one that moved from very vocationally oriented teaching to the more general professional training of a university. It is also the history of an institution that moved from local authority to national higher education government. Both developments were in stages and both accelerated during the 1980s. On top of these transformations the University grew from approximately 5000 students (full time and part time) to more than 16,000 in 1995[11]. This growth was accompanied by a large growth in terms of real estate. The growth in student numbers was part of a conscious strategy of the institution:

> Lancashire Polytechnic has well-established policies on access and a mission statement which seeks to expand and enhance education opportunity. In keeping with this commitment and with the stated policy objectives of the Secretary of state, the Polytechnic proposed an expansion in student recruitment… (Central Lancashire, 1989, p1)

[11] University of Central Lancashire, Student Number Growth, 1980 to 2003

One of the underlying reasons for this growth is that Central Lancashire has, for a large part of its history, been a relatively small polytechnic with a position that was insecure; it was much stronger in further education than in higher education. The only reason it was established as a Polytechnic in the first place was that Preston was a marginal Labour seat that needed to be secured by the then Labour Government.

The preoccupation with the insecurity of smallness has been one of the driving forces behind the growth of the 1980s and 1990s. Together with its history as a Polytechnic it is also one of the reasons for the strong position of central managers in Central Lancashire. Basically, there are two routes for decision-making. The first is the committee structure that is typically found in traditional universities. But, as shown later, in Central Lancashire this route was used to gain legitimacy for decisions taken through the other route, managerial decision-making. A Directorate and Management team consisting of the Vice Chancellor, Pro and Deputy Vice Chancellors make almost all decisions.

Type of higher education institution

Discretion over funding: central – de-central

Budget holders in the University of Central Lancashire are the deans and the heads of services. It is their responsibility to reach a balanced budget. The numbers of personnel that can be hired are dealt with in discussion with the direct line manager of the deans and heads of services, the Deputy Vice Chancellor on behalf of the Directorate. On top of this, all budget holders and central management are united in a management team that takes all major decisions in the university, including financial decisions. This centralisation of financial decision-making is strengthened by the particular organisational structure of the university. The management team and the directorate dominate the decision-making process. The University Board and the Academic Board play marginal roles and are used primarily legitimate decisions that are already made by the managers. As one respondent stated: 'Sometimes the fiction fell to pieces and things were done very quickly just through the management route'.

Deans have a lot of financial autonomy. The financial plan for example does not specify the number and type of staff they should hire, but they are strongly attached to central management through the management team and through their sub-ordination to the Deputy Vice Chancellor. There are no real rules regarding overspending the budget. A faculty that overspent in recent years is now 'closely worked with' and has very little financial autonomy now.

Heads of Department have a very limited freedom in financial matters; they do not have devolved budgets apart for things like travelling etc. The rest of their finances are decided by the Dean. Income from contract research and education flows into the faculty budget after the university takes off the overhead. The Dean needs to balance successful and unsuccessful departments in his faculty to produce a balanced budget at faculty level.

Discretion over the content of teaching and research: central – de-central

Study programmes in the period under observation were established on de-centralised levels; it was primarily the responsibility of departments to create new study programmes. There is an extensive course validation procedure that takes over a year and passes through two levels, the Faculty and the Directorate. At both levels there are course validation committees consisting of managers and internal as well as external academics. The importance of this procedure was questioned by one respondent, 'No course has ever been vetoed in our department'.

There is a lot of quality control and auditing in the University of Central Lancashire. Part of the internal auditing is galvanised by external auditing like the Research Assessment Exercise. The University Board increasingly requests audits that are not limited to financial matters but also touch the operational level of the university. One of the respondents explained that this increased internal auditing is a consequence of the fear of members on the University Board that they are personally liable in case of malfunctioning of the university.

External quality controls are very centrally organised. There is a central team that prepares the internal review. There is a big influence of the central management of the university on how the organisation is presented to the external examiners. For the Research Assessment Exercise, the central level decided which researchers could take part and which researchers were excluded from the review.

Discretionary power of academics

In Central Lancashire many managers have an academic past. An academic record of some kind is thought of as important to be a manager in an academic organisation. Managers are not employed for a limited period. Therefore, becoming a manager in Central Lancashire is a career move, not as in many traditional universities a 'tour of duty'. This has important implications for the position of these managers. Since they do not return to their academic jobs they have no future interests as an academic.

In Central Lancashire managers are dominating the decision-making process. In financial matters, the deans are budget holders and they are responsible for a balanced budget. Extensive committee

structures with a lot of opportunity for academic consultation do not exist. The academic board is not very powerful, though in fairness neither is it in many traditional academic higher education institutions.

Changes within the institution

Changes in the organisational structure

Central Lancashire developed from a small technical college that transferred its lower level teaching to other colleges nearby and focused instead on further and higher education. It developed a humanities degree over time, partly as a consequence of a merger with two teacher-training colleges. In terms of its organisation structure the polytechnic operated under the authority of the local authorities, which for example were in charge of the pay roll of the college. The college was headed by a director who acted as a 'headmaster' without the kind of democratic structure that characterised traditional universities.

1987 was a landmark year in terms of changes in the organisational structure at Central Lancashire. On an annual conference of the Directorate Heads and Administrators' Group (consisting of all heads of teaching and service departments, deans and the directorate), the Deputy Director presented a paper critical of the administrative structure of Central Lancashire. He argued that the system in which decisions were taken by committees and implemented by officers resulted in lack of accountability and efficiency. Instead he proposed a managerialised institution where managers took decisions and allocated resources for which they were accountable to next higher management tier. The Director's response on returning from this conference was radical:

> In October 1987 the Polytechnic was presented with a paper from the Director which argued that the management system should be strengthened by emphasising the executive authority of the Dean for the delivery of the academic programme and for the line management of all faculty staff. (Pope & Phillips, 1995, p. 164)

In his annual address he argued that against the background of corporate status (i.e. independence from the local council) stronger management was necessary. He called for simplifying the Academic Board Committee and abolishing all faculty- and school boards as well as course committees. Consultation was still important, but not in the traditional formalised way. The Directorate formed itself into a management team.

There is some debate over the causes of this centralisation. Some argue that the organisation becoming independent meant very little since it had acted independently from the local authorities anyway. Centralisation from this perspective was a consequence of a relatively new and ambitious director, the fact that external quality audits necessitated stronger internal management and the pace of growth that demanded strong leadership. Others argue, with the Director in his annual speech, that centralisation was caused by the new independence of the Polytechnic. One respondent stated: "It is almost like starting a new business, you have to set up all new procedures and you have to know that you control the organisation."

With the centralisation and managerialisation of the polytechnic the position of the deans changed from appointments for a limited period to permanent appointment, giving them a much greater role in management. Together with the Heads of the Personnel and Finance departments the deans were part of the management team of the institution. With the university's swift growth, the span of control of central management became difficult to maintain. In a response financial decision-making was devolved to budget-holders the deans and the heads of services. Decisions about the number of staff that could be appointed, one of the most substantial parts of the university budget, were made between the budget holder and his or her line manager, the Deputy Vice Chancellor. Although there was resistance against the centralised nature of the organisation, only in recent years, since 1997 have attempts been made to de-centralise and give academics more influence in the organisation.

Changes in the financial structure

Before the university 'went corporate' most of the financial decision-making was done by the local authorities. Staff, for example, was paid directly by the local authorities and the Local Council ultimately decided on the numbers that could be employed. The same was true for decisions on real estate and other large parts of the budget.

In the process that led to independence from the local authority, Central Lancashire became more responsible for its own financial decision-making. In 1989 the Polytechnic started to handle its own personnel management. As has been mentioned before all of this was done centralised:

> Throughout this period, further action connected with the incorporation of the Polytechnic had taken place. On the issue of management, the major additional impact was the appointment of managers to head the finance and personnel departments which now had additional tasks, previously undertaken by the local authority. The status of the managers

> in the Polytechnic was recognised in their membership of the Polytechnic Management Team. (Pope & Phillips, 1995, p. 165)

The way in which calculations were made was simple. With an average student-staff ration of 18:1 it was easy to calculate the total numbers of staff that could be hired. Staff numbers were allocated to each faculty based on the particular student-staff ratios in its departments, which could range from 13:1 to 25:1. In this formula funding the setting is absolutely crucial in terms of which department gets which slice of the total university budget. In Central Lancashire this was a process of negotiation that took place in the management team. Heads of departments simply had to deal with the outcomes. Moreover, the number and what type of staff they could hire it was fixed. Their autonomy therefore was minimal; their only devolved budgets were for travel and similar expenditures.

Changes in the industry-institution relationships

In Central Lancashire, there is no real direct influence of external actors in university decision-making, apart from the lay members in the University Board, a board that is not very powerful. This does not mean that there is no influence. In the past almost all of the students found work in local companies. Strong links were formed through these students and the interest local companies had in them. Now, as the university operates on a more national basis, these links are less strong. Yet, every faculty is required by central management to have an employer panel, an arrangement that works better in the more vocationally oriented courses than in the more general programmes. Also in each faculty, business developers are deployed in order to create and sell university products.

Comparing two study programmes

History

The department of history was established in the early-1980s and grew in the Faculty of Art from a combination of History and History of Art and Design. The programme started as a combined honours degree, and then developed into BA and MA and research supervision. History is now one of the largest research departments, with Film & Media as its largest study programme.

The department was established from the bottom-up. Study programmes were established by individuals and groups of staff with an interest in certain topics. It is only recently that initiatives come from the Faculty or the Directorate and are driven by marketing purposes. Most

often these central people come from other higher education institutions and have seen what works there.

Though courses in the History Department are established because teachers, not necessarily students, have an interest in it, sometimes there are surprising results. Film & Media was established as a logical part of Design History but then turned out to be very popular. There were, however, also courses that drew disappointing student numbers and sometimes had to be terminated. The whole process of establishing new courses therefore is one of trial and error, next to copying what is successful in other universities.

The establishment of courses is bottom-up, but at the same time there is a tight process of course validation. Proposals first go to the faculty level and may be vetoed there. In this process outside members take part. They are not students or future employers that might reveal the external demand but mostly academics from other higher education institutions. Proposals then go to the central level for a similar procedure. The entire process may take slightly more than a year. Yet, at least in the case of this department, no course has ever been vetoed.

Health Studies

Health studies as part of a combined honours degree started in the late-1980s and like history, from the bottom-up. It started with 'three people with a health interest discussing their interests in a coffee shop'. These were not really research-oriented, as Lancashire Polytechnic did little research at the time. These people initiated, designed and delivered the programme. No market research was undertaken and no potential clients were consulted on the content of the course. Decision-making on the combined honours and subsequent stages was easy. The ease with which the course was approved was caused by the general wish, in the management of the institution, to grow in terms of student numbers.

Apart from the its founders' interests, the content of the course was driven partly by Lancashire merging with a nursing school, which meant that there was more of an awareness of the world of health at the Polytechnic. Also at the same time, in the wider society, more and more academic training was given to nurses. In its early years Health Studies grew steadily, though now it is in some decline. The initial success of the programme was partly a result of it being the first programme of its kind in Britain. Now the market is divided up between more programmes. Also students increasingly seek education that is offers better career changes than Health Studies.

Literature

Pope, R. & K. Phillips (1995), *University of Central Lancashire; a history of the development of the institution since 1828*, Lancashire: University of Central Lancashire.

CSET (1999), *Higher education in the national economy, University of Central Lancashire, UK case study*, Lancaster: Lancaster University (not published).

Institutional case study: University of the West of England

The University of the West of England (UWE) is a 'new' university created in 1992. It has, however, roots in the 19th century and has long been linked with both the City of Bristol and with other local higher education institutions. As with other new universities, UWE has spent the past decade attempting to create a distinctive identity and to carve out a viable market position for itself.

In 1969, as part of the higher education reforms during the Wilsonian era, Bristol Technical College, Bristol College of Commerce and the West of England College of Art (Bower Ashton) came together to form Bristol Polytechnic. In 1976 two Colleges of Education, Redland and St Matthias merged with the Polytechnic and formed the basis for the Polytechnic's Faculty of Education. At this point the institution provided few degree courses apart from a small number of external London University awards which were on offer.

The next decade was an important period of development. When Kenneth Baker became Secretary of State for education and implemented the expansion of higher education in the UK during the mid-1980s, the Polytechnic had more than 10,000 students. By then the institution (in common with other polytechnics) was delivering a range of degrees and diploma courses, which were awarded under the auspices of the Council for National Academic Awards (CNAA). The CNAA's regime placed considerable constraints on the development of polytechnics' provision. The Council exercised control over the validation and accreditation of courses and higher education institutions needed to seek permission in order to change or expand their range of higher level programmes.

By the time the Education Reform Act (1988) was passed, student numbers had increased to around 15,000. The Reform Act removed the Polytechnic from local authority control (along with other polytechnics) at which point the institution was reconstituted as a higher education corporation controlled by an independent Board of Governors.

The Polytechnic gained university status in 1992. Its name, the University of the West of England, Bristol, was intended to reflect its aspirations to be counted amongst the most important higher education institutions within the region. One of the main implications of gaining university status for the institution (along with other new universities) was the ability to grant its own degrees. By the mid 1990s UWE had over 18,000 students and, as part of a deliberate institutional policy decision, was continuing to look for opportunities to expand. In January 1996, the

Avon and Gloucestershire College of Health and the Bath and Swindon College of Health Studies were incorporated into the University. At this point the institution had almost reached its current size with combined undergraduate and postgraduate student numbers of just under 23,000.

Type of higher education institution

Discretion over funding: central – de-central
Deans and heads of services are budget holders. In their own Faculty or Service they were responsible for balancing the budget. Decisions on the budgets were not made in a central management team, which includes central management and the deans. The predominant mode of decision-making in UWE was based on one to one deals between central management and individual deans. This was comparable for the heads of services, which had a similar position in the sense that they both had regular meetings with the Directorate.

This situation gave some power over the budgets to Central Management as they decided on the formula that fixes the allocation of budgets over the different faculties. In this they had the advantage of being able to deal with individual deans separately and were not confronted with deans forming a closed front. The area, in which there was some room to negotiate for the individual deans, was that of the contributions of the faculties to the centre. Apart from fixing the faculties' budget, the centre exerts financial leverage trough their approval of de-central capital projects.

Discretion over the content of teaching and research: central – de-central
Central management in UWE had influence on the teaching and research, in a number of ways. In terms of research, which was not a very large part of the university, central approval was crucial for every research project that was started.

In terms of teaching there had always been a central involvement of the university in a new course. The centre required the faculties to do research on demand for new study programmes and demonstrate its academic qualities. In the process of accrediting a new course it is the centre that has a final say in the choice of external examiners.

Quality control developed largely in response to external requirements. But was supplemented with the universities own thematic audits, based on central management's interests, like for example participation. Information from this type of audits fed into the planning process.

The externally QAA evaluations were not very centrally managed at UWE. Central management kept track of the order in which

different subjects were reviewed and offered a template for self-evaluation. The system was as one respondent stated one of "accountable diversity". In which "We do allow differences but certain outcomes are expected."

Discretionary power of academics

During the period under study, UWE was very constant in terms of the type of managers it employed. As a respondent stated: "It is important to have managers with academic recognition, but they also need to be good managers." Managers at UWE tended to stay in management permanently. There was a scheme to offer associate deans positions for a limited period, so that academics could see whether they really wanted to be managers.

For deans at UWE management skills were an important pre-requisite for their employment. The recruitment procedure took two full days of interviews, independent of the fact whether the candidate is externally or, which is less usual, internally recruited. Although management skills were clearly looked for, so far all deans had an academic background. For heads of services this was different. They did not have an academic background, apart from the officers responsible for quality assurance.

The Academic Board at UWE was formally important, but *de facto* its position was not very strong. The board had no direct financial influence. Another forum through which academics could make themselves heard was through the Faculty Board with democratic representation. Again, the real power of these boards was not overwhelming; their role was more to monitor the real managers. The balance of power between executive and boards depended on the issues under decision. New courses for example were usually the result of bottom-up initiative and left to the boards. On the other hand finance and personnel were entirely executive matters. In general the academic board was only involved with teaching and research content and matters. It is important to note that the executive organisation, of Vice Chancellor, deans and heads of departments was fairly separated from the deliberative organisation of University and Academic Board, the Faculty Board and the many committees that surround these boards. The most important decisions were taken by the executive part of the organisation.

Changes within the institution

In the early-1980s the polytechnic that would later become UWE was organised along the lines of secondary education, with a director. The

school was organised on a departmental basis, with each department responsible for staff and an (undergraduate) course. Those courses could not be validated by the polytechnic itself but had to be submitted to the CNAA. Each department received a budget through a very intransparent allocation mechanism that was largely historically based and ultimately decided on by the Local Authority. The faculties did exist at that time but were loose federations of departments that were, as a respondent put it, "supposedly there to maintain academic quality." Each department had a Head of Department and a budget, but it was very constrained by the powers of the Local Authority. Staff appointments were the responsibility of the Local Authority and staff was on Local Authority pay roll. For the Polytechnic as a whole this meant that they had very little financial autonomy and no autonomy in terms of personnel policies.

In this sense 1988, the year when polytechnics were removed from the aegis of Local Authority meant a lot in this institution. All of a sudden it became independent and responsible for its own management. It had to create, from virtually nothing, key functions of finance and personnel. A system of lump-sum funding was established which meant that the polytechnic became financially much more autonomous. On top of this, in 1992 the Polytechnic obtained university status and could compete on a supposedly level playing field with other universities for teaching and research funding.

In the same period there was a massive expansion in student numbers. In response the university moved away from departmental organisation to a modular system of teaching. This change necessitated a larger central facility that monitored student progress.

In response to the growth of the university, the faculties were granted more autonomy. Until the late-1980s, the university operated on what one respondent called, "almost a federal system". At the same time that the faculties got more autonomy their numbers gradually declined through mergers. The reasons underlying these mergers have been a mix of increasing financial efficiency, reducing the span of control and improving academic synergy. All this has meant that the position of the dean became crucial. The real autonomous freedom of the deans lies in the non-pay budgets that can be used at his discretion.

There is some variety in the way in which the university has been organised beneath the faculty level. Every faculty can decide on its internal organisation. The organisation of most faculties has slowly shifted from departments based on an educational programme to schools based on a discipline. Although there are still a few departments the faculties are now organised in schools with a disciplinary base. Schools have heads of schools but they lack significant budgets.

Moreover, employing new staff is controlled by the Dean and the Directorate.

Deans and the central management of the university are not co-operating in a management team (although there are regular informal meetings). There is a central management team, called the Directorate, but it consists solely of the Vice Chancellor, two Deputy Vice Chancellors and two Assistant Vice Chancellors.

Because the deans have great autonomy in leading their faculties, co-ordination takes place through an annual planning round where each faculty has to set its objectives within in a central framework. This framework is established by the Planning Executive, the Vice Chancellor and the two Deputy Vice Chancellors. Their framework-plan for the institution as a whole is approved by the governing board and the academic board. After which negotiations are conducted between the Planning Executive and the deans.

Changes in the financial structure

Financially the big change for the University came in 1988. Before that the financial management of the institution was in the hands of local government. All personnel were on a local authority payroll and other expenses had to be signed off by the local authority.

After 1988 a whole system of financial management had to be created from scratch. Since 1989 this financial management worked on the basis of devolved budgets to faculties who could then devolve, if they wished, to the heads of departments or heads of schools within a given framework of regulations.

There were some strings in terms of moving funding from one financial post to another. In many ways over the last ten years central control has been relaxed. Small practical things were too centralised (one respondent mentioned field trips for students) which were quickly de-centralised. Deans were made responsible for a balanced budget. Some restriction were kept intact, deans could not touch the part of the budget reserved for salary. They did enjoy freedom in the non-salary funding. Budgets were based on student numbers with charges being made for the faculties for their use of central services.

Changes in the industry-institution relationships

Employers have a formal position in the university through their position in the Board of Governors (formally the most important Board). Moreover the vocational Faculties have Boards of Professionals.

Next to these formal positions there are many regional connections through the regional development agencies and many individual connections. Quite a lot of courses have to be accredited by

the professional bodies as students need professional recognition to be able to work in that particular profession.

Comparing two study programmes

Languages and information systems

The rationale behind the creation of the study-programme Languages and Information Systems was based on the idea that there was a niche-market for students possessing this combination of skills. In traditional universities there were programmes of languages and literature and in most polytechnics programmes existed that combined business and languages. At UWE the idea rose that the combination of IT and languages was something that could be explored. The idea was that several countries in Europe were working on their own IT-systems but that in the global competition for such systems IBM was bound to dominate. Therefore English students with a good grasp of systems analysis and IT-support with language skills in one or more European languages could form a liaison between the English language based IBM systems and companies in Europe.

In terms of a student-demand for such a course, marketing was difficult because it had to be performed for students who at that time had no idea what IT was. At UWE marketing focused on the students of the 200 schools that provided most of UWE's students.

The development of the course resided at UWE but internships were provided by companies in Spain, France and Germany who used IBM and needed either translation, help or go-between between them and smaller companies.

The programme turned out to be very successful. Admission to the programme was from the beginning selective and started off with 72 students. The programme still exists at UWE.

The programme has developed over time with less technical options now. This is a result of both different priorities and changes in the team directing the programme ("the real IT cracks are gone") but also because of market changes. Market changes meant that companies at this stage of IT development do not need programmers but work with fully developed packages and need students that understand those. These changing demands were voiced primarily by the host organisations that provided internships for students. It also turned out that graduates mostly worked in customer support. Therefore they were much more operating on the user side and not on the side of producers.

The employment success of these students turned out to be very high, especially when compared with the job-market for regular students in modern languages in Britain in this period. Two of the most

interesting points about students graduating from this programme as seen from the perspective of the companies were first, that they were often female and second, that the type of people graduating from the programme had people skills and not only machine skills.

The idea that there was a niche for the programme was very much based on gut feeling. It started with three people in the department with an interest in this kind of programme, one of them with a strong IT-interest. Part of the programme was based on a basic course offered by UWE for a regional employer. The three actors who initiated the course realised that what was done in this course could be converted into a foreign language course. "We realised that there was an IT context that was not technical."

The further decision-making rested primarily in the faculty. In terms of new programmes each faculty is autonomous. In this case and more in general the Dean would support an idea for which there was a strong group supporting it.

With support of the Dean the programme entered a validation procedure. This meant that the plans for the programme had to be submitted to a validation panel that comprised colleagues from other faculties and employers. At this time, before 1989, the whole validation procedure was strictly watched by the CNAA. No degree would be approved unless the processes determined by the CNAA were respected.

The CNAA drew on practitioners and subject leaders in different polytechnics that formed a panel that visited the university (chaired by a senior member of staff of another institution). This committee spent a day at the Polytechnic, meeting all kinds of staff-members. The committee reached a decision on validation of programme at the end of the day. For Languages and Information systems they reached the usual decision of "conditional acceptance". They accepted the programme, but required some marginal changes before the programme could enlist students. The whole process of validation was rather complicated because this was a new programme. This made it difficult to decide who should be on the validation committee and what the exact requirements were.

A final step in the process before the CNAA approved of the programme was a positive advice by the Regional Advisory Council. This council had to answer the question of whether there was a regional demand for the programme and whether the instalment of the programme was macro efficient for the region.

European Languages and Law

When this programme was started, there was certainly the idea that a demand existed for such graduates. The starting point, however, was internal politics. At UWE faculties were being restructured and one particularly large faculty of social sciences, humanities, languages and law was split up. Two departments within this faculty, Law and Languages, wished to stay together primarily to retain a larger presence in the university. The VC accepted this wish, but requested that the faculties thought through a 'forward looking curriculum' that gave an identity to the new faculty of Languages and Law.

As the programme was being designed an important factor in the development was the necessity of professional recognition by the Law Society. Only with their recognition could future graduates practice in the legal profession. The result was a more conservative programme with very limited options for students and a strong focus on the legal profile of the graduates. In a sense the internally initiated programme clashed with the professional requirements of the Law Society who was not used to the combination of law and linguistics. Developing a programme therefore was a process of tough negotiations. Through all of this the law department, a partner in the programme, was not very supportive. The department had a good name as a traditional programme in law. There were fears that a new programme might hurt this status. In fact these problems were caused by the fact that the co-operation was not based on real disciplinary relatedness but more or less forced upon the new faculty by the VC.

To act as liaisons between the law department and the linguistics departments, three non-English lawyers were hired. For students, the third year of the programme was spent in Germany, France or Spain.

The study attracted students who took languages in school but wanted to combine these with something that made them more employable. This was an interesting market. It enabled more female students to enter the legal profession.

During the creation of this programme the polytechnics were free to establish new courses. But the validation procedure remained more or less the same. External representation on the validation committees was still required. Moreover, although the ultimate decisions on this new programme would be taken in the institution, an external person was still chairing the validation committee. These committees were acting under the authority of the academic board. Although this particular programme was directly accepted, there have been cases in which a programme was not accepted and had to be re-entered in the procedure a year later. In both cases no kind of macro-efficiency test was required by any kind of government. What needed to

be done was a survey of the student and employer markets. In both programmes something of this kind has been done but those surveys were, as one respondent put it, "not really scientific". Finally, after the installation of the programmes the QAA performs its regular subject review.

Literature

CSET (1999), *Higher education in the national economy, University of the West of England, UK case study,* Lancaster: Lancaster University (not published).

Institutional case study: Rijks Universiteit Groningen

Historical backgrounds

The University of Groningen was established in 1614, it was the second university to be established in the Netherlands after the University of Leiden (established in 1575). This makes the university one of the four 'classical' universities in the Netherlands. The range of disciplines the university offers is the broadest in the Netherlands, which is mainly due to a number of engineering programmes in the faculty of Mathematics and Natural Sciences. This offering of engineering courses is a unique feature of Groningen among the 'classical' universities.

Fundamental to the position of the University of Groningen is its size relative to the size of the region. The number of students studying at the university is much larger than the number of jobs in the region, only 30% of the 20,000 students find a job in the region. On the other hand the University almost has a monopoly in the region. Seventy percent of those from the region who go to university go to Groningen. This gives the institution a very stable foundation. Under this macro-stability, however, lurks some micro-instability; there has been a definitive shift in student numbers away from the classical disciplines towards more applied disciplines. But, because Groningen is such a broad university these micro shifts do not affect the macro situation.

This period (1980- 1995) saw a steady rise in student-numbers this did not lead to large organisational changes. What developed during this period is the concept of the university and its mission. In 1964 the Rector Magnificus addressed the university at its 350 years anniversary. He asked the following questions: Should the university be subordinate to the nation's strive for prosperity? Should the university aim at educating for practical professions? And should the university be governed and managed like a business organisation? Conveniently, he answered all three questions himself: no, no and no. During the 1980s this perspective has changed fundamentally, in 1989 at the universities 375 years anniversary, the Rector Magnificus stated that the university is a hybrid institution and should both serve 'science for science's sake' and society. The Rector argued for an organisational structure in which the two objectives of university are organised separately: a core of fundamental research and schools for the societal functions of education and research.

Type of higher education institution

Discretion over funding: central – de-central

Budget setting in Groningen was characterised by two features. First, the Executive Board, in consultation with the faculties and the University Council's Permanent Budget Committee, set certain priorities within the budget. Second, the remainder of the budget, some 70 to 80%, was divided across the faculties according to the national budgeting mechanisms. Funding that was divided over the faculties based on the internalised national model granted as a lump-sum to the faculties. Faculties were, in principle, required to establish a balanced budget.

Also, from the mid-1980s RUG's Executive Board took the initiative to earmark parts of the budget for special objectives. The Central Policy Incentive Scheme and innovation Projects Scheme were established to allocate budgets to promising plans. Together the two programmes make up 3% of the total budget.

To deal with the instability resulting from shifts in student numbers amongst faculties (micro-instability), the allocation model worked on the bases of three-year moving averages. This gave faculties or departments time to deal with fluctuations in student numbers. If faculties lost more than 2% from one year to another they received some central support, but this was an exception.

In the de-centrally-earned third stream the aim was to cover all costs, which was why overhead costs were paid to the central level. All too often profits from the third stream were actually at the cost of the first stream. If within the faculty there was a shortage in the first stream and a profit in the third stream the central management reallocates funding from the third stream to the first stream.

Discretion over the content of teaching and research: central – de-central

Quality assessment in Groningen was not used to exercise power; the visitations are used to improve quality. The results from quality assessment were used for the administrative processes in the sense that bad results lead to "a hassle" for those involved (i.e. research-projects might be abolished and bad teaching must be improved).

Central initiatives concerning the content of education were not necessary. Often, for example in the case of a new study-programme, there was a de-central group of people with a good idea for which they trying find support. Sometimes there was a more "joint venture type of approach" where de-centralised levels and central management co-operated more intensively. In the case for example of the new technical disciplines central management helped the scaling up of what was happening within different faculties. With big operations, often induced

by state-policies, central management played a co-ordinating role. When, for example, the operation *Studeerbaarheid* (a national operation to improve the quality and effectiveness of teaching) was implemented central management created central units to teach students writing abilities and ICT.

Discretionary power of academics
Decision-making in Groningen was harmonious. One respondent credited the 'Groningse' model for this. Since thirty years only full professors from Groningen have been appointed to the Executive Board. There was no real rule for the term length for these people. The chairman of the college remained in function for 15 years, the rectors usually stayed for four to eight years and one exchequer even stayed 25 years.

The deans of the Faculties were also full professors. Whether or not they were "semi-professional" managers depended mostly on the size of the faculties. In smaller faculties there was often a very strict rotation scheme and all deans were in charge for a limited period of time. In the larger faculties the Dean was appointed for a longer or indeterminate period (10 to 15 years) of time.

Changes within the institution

Changes in the organisational structure
In the introduction the extremely stable position of the University of Groningen was already discussed. In line with this stable position there were very few developments in the organisational structure of the university. What changed was the way in which the same structures have been used by different managers. The position for example of the Board of deans fundamentally changed when a very strong and long serving rector became chairman of the Executive Board. As a Rector he had used the Board of deans to find support for his own position, to improve his academic legitimacy. But as a chairman he had a different set of interests and began ignoring the Board of Deans.

Before the implementation of the MUB (Modernising the University Administration Law) in 1997 there was never a management team in which deans and the Executive Board worked together. Deans were part of a collegial faculty management board and this made it very difficult to 'lift them' to a central level, thereby separating them from their faculties.

The democratic structures have slowly eroded. The kind of influence the democratically elected councils wielded was diminishing long before the MUB was introduced.

Changes in the financial structure

Developments in the internal financial allocation models at Groningen paralleled national developments. This was seen as necessary because otherwise disparities might rise between funding flowing to the university and funding spend by the university. The other important development was that the funding available to the central management of the university has increased (the so-called 'central policy funds').

The basic financial model was one in which every budgetary unit was financed lump-sum with spending autonomy. The collegial faculty management boards were responsible for a balanced budget in their own faculties. The allocation of the funding itself was the responsibility of the Executive Board, which took about 15% of the funding for central services like the policy-bureau and ICT-support as well as a growing amount of funding for the central policy fund (around 3%). The impact of this central policy fund was greater than the funding in it because of the requirement for faculties to match the funding they received. For this faculties needed to free funds at a faculty level as well. For the other parts of their budget faculties most often chose to follow the national allocation models, for the same reason the whole university followed these. But this was not a formal requirement and there were some differences between faculties.

Changes in the industry-institution relationships

There have been very few external members in the Executive Board of the university. In the whole period under study here, only in a part of an academic year one member of the Board was external (1986-1987).

By contrast there have always been external members in the University Council but their position was relatively weak. First, it was unclear whether they represented external organisations or that their presence was based on their personal qualities. Second, the external members were only a small fraction in the University Council. Third, they had very different backgrounds and almost never spoke with one voice. (Van der Geld 1991). Apart from external members in the University Council there was a widespread network of advisory bodies for educational programmes and faculties, but all in an advisory role.

There have been a number of activities linking the university to external partners. Already in the 1980s a Transfer Centre was established as an intermediary between business and research. A co-operative effort in the areas of research, education and consultancy was created to support public policy making in the North of the Netherlands

(*Samenwerkingsverband Bestuurswetenschappen Noorden des Lands*). In 1984 a science park was created on university grounds. In relationship to this science park, a Foundation Science Park Groningen was also established. Later this would be followed by Zernike Development Company (1987) and Zernike Ventures. Core activities of these organisations were encouraging contract research, allocating innovation funds and financing high tech start-ups. In 1993 a Liaison Office was created to support researchers in acquiring contract research, especially at a European level.

Comparing two study programmes

Educational Studies

Educational Studies started in the early-1980s as an interdisciplinary study combining psychology, sociology and pedagogy. This was the first time in Groningen that Educational Studies was provided in such a way, but the study had a longer history as School Pedagogy going back to the early-1960s.

There are several reasons why Educational Studies was initiated at this time. First School Pedagogy as a discipline was slowly drifting away from the mainstream pedagogy. Second there was a growing conviction in the field that education comprised more then only pedagogy. These internal developments in the discipline were compounded by a growing number of educational specialists were working as advisors or policy-makers. Finally there was a sense both in sociology and pedagogy that student-numbers should increase in order to keep existing staff employed, a new study programme could attract a new group of students.

The programme design was carried out by a faculty committee with academics representing the different disciplines (psychology, sociology and pedagogy). They designed a curriculum primarily based on their insights in the discipline and their research interests. However, school pedagogy had always been such a small discipline that the links to practitioners in the field were strong and information gained from these contacts was used in the design-process. As part of the design process and to see what the market for graduates could be, an analysis of advertisements was carried out. The decision-making on the programme rested purely at the faculty level.

Technical Spatial Planning

To fully understand the case of the establishment of Technical Spatial Planning at the RUG it is important to reveal the context in which it took place. In the early-1980s a series of technical sciences were introduced in

Groningen. One of the underlying ideas was that technique and society should not be separated as it was in the case of the existing technological universities. Of course for a university that already had a monopoly in the region it was interesting to be able to offer the full range of disciplines. However, funding cannot fully explain the introduction of technical programmes as they were not expected to be big funding makers, which indeed they turned out not to be.

What was done was that, based on existing disciplines, an applied variant was created in the form of Technical Planning, Technical Business Administration, Technical Information Sciences, Cognitive Sciences and Technical Pharmacy. The whole operation was based on de-central initiatives, but on a central level a lot of funding was freed up to stimulate these programmes. Also the central level organised the permission by the state.

Technical Spatial Planning therefore was part of a bigger movement but it did have a lot of particular elements. Basically it was targeted at technical issues surrounding water, environment and infrastructure.

The programme developed slowly over the years. It started in 1985 when Voogd together with one of his colleagues came from Delft University, where he taught Civil Engineering. He wanted to establish something in Groningen that he had been teaching in Delft. In Delft technical planning had gradually been abolished and this provided an opportunity for Groningen.

The programme started as a specialisation of social geography, but it soon turned out that the Academic Statute of this programme restricted the technical planning curriculum too much. In 1987 then a new Spatial Sciences study programme was established, with technical planning being one of the programmes residing under its umbrella.

When the RUG started a wave of new technical programmes the group of Technical Planning jumped on the bandwagon. It took the chance to develop its own doctoral programme in 1992. After a complaint by the Inspection that there were selective courses in the third year, a first year was developed specially for the programme. It had now established itself as a fully functional programme.

The programme was initiated by Voogd and a colleague from Delft. When it was started as a specialisation no market research was undertaken. Because a similar programme in Delft had always given student good employment possibilities and since this programme was cancelled, the initiators had confidence in labour market demand. When the programme was opting for an independent position, market research was undertaken by a private firm. This research focused on the labour market (i.e. consultancy firms, engineering firms, government not on

student demand). Since the programme already existed as a sub-programme of Spatial Sciences there was a clear expectation of student-interest.

When the doctoral programme was created it received some funding from the central management of the university. The funding the programme obtained from a private engineering bureau (one professor and one teacher for 5 years) was far more significant. The engineering firm had an important impact on the content of the education in the programme. Where Voogd and others had opted for a focus on ICT, the people from the firm made it clear that they did not hire university graduates for those types of jobs but students from polytechnics. The ideas for ICT in the programme were cancelled. The influence of the firm went further than that, since the professor they paid for was one of their partners.

With the programme up and running there was an annual meeting with alumni that give their opinion on the content of the programme. In this way practitioners had a lasting influence on the programme.

It is interesting that the role of central management is not mentioned spontaneously by the respondent. The ACO-procedures that were necessary were all handled on a central level without de-central involvement ("we leave that to the bureaucrats"). It is also interesting that the respondent points out that the existence of technical planning is purely a coincidence: him coming from Delft, Delft abolishing this programme, the RUG starting technical programmes, the inspection forcing them to create a first year, and finally his contacts with an engineering firm.

Literature

CHEPS (1999), *Higher education in the national economy; Rijks Universiteit Groningen, Dutch case study*, Enschede: Universiteit Twente (not published).

Geld, M.G. van der (1992), *Twintig jaar universiteitsraad Groningen, Jubileumboek*, Groningen.

Institutional case study: Universiteit Twente

Historical backgrounds

The University of Twente was established in 1961 as the *Technische Hogeschool Twente* (Polytechnic Twente). In 1986 its name was changed to the University of Twente. The university was established in the Twente region partly to revive the region's economy that suffered from problems in the textile industry. The university was also established as a campus university.

The idea of a campus university as an experiment in the Dutch context symbolises the more general experimental nature of the university. In its first decade, the university was allowed to experiment with a dual core, a combination of technological and social sciences, with a bachelor's degree and with a divergent governance structure. Apart from the combination of technology and social sciences, most of these innovations faded away. By the early-1970s the university was a small, regular university.

By the early-1980s the university ran into trouble. The textile industry that the university was supposed to revive collapsed in the 1970s. Twente University lost its special status and its special attention from the national government. In fact, one of the problems of the UT was that apart from its special status it had no defining characteristics, no special reputation for teaching or research and no outstanding departments.

Moreover, other universities had started to provide engineering courses as well. Partly as a result, enrolments were much lower than expected. Already in 1970 an enrolment of 2,000 was only half of what was forecasted when the university was established. With an infrastructure designed for 4,000 students the average per student cost were too high. Finally, demographic prospects were not rosy at the end of the 1970s; it was expected that in the 1980s the number of 18-year-olds would decline by 30%.

These two problems shaped developments throughout the 1980s. The first problem, lack of status and visibility, was addressed through a new concept of the university: 'the entrepreneurial university'. The second problem, low student enrolment, was addressed by a growth in the number of courses but especially in the social sciences.

Type of higher education institution

Discretion over funding: central – de-central
Budget holders are located at the level of the faculty. During the period from 1980 to 1995 budget holders were collective, consisting of the entire faculty management team. Budgets were fixed at a central level, with a right of the university board to establish the budget. From 1988 onwards, budgets were based on an allocation model that was established by the university board. Several members of the university board were faculty staff who were often briefed by their faculties. Second, a large part of the (very complex) model making and simulating was done by the bureau of financial and economic affairs.

In these models all funding was distributed over the faculties who then made a contribution to central management and central services as a percentage of their budget. Therefore, funding earned at this de-central level was free to spend, apart from the percentage taken by the central level. This was conscious strategy to stimulate earning funding at that level. A very small amount of funding came in through patenting. Such funds were usually divided in thirds (one third for the individual, one-third for the faculty and one third for the centre).

Discretion over the content of teaching and research: central – de-central
The content of research projects and courses were established at de-centralised levels inside the *vakgroepen* and research institutes. There was no influence by the centre over content-matters. There was some influence by the faculty management since a faculty research plan had to be established that overarches all research done in the faculty.

In terms of quality management, there was monitoring and control but not from the central level of the university directly. Instead there were nationally organised disciplinary based evaluations of research and teaching. Evaluation visits by evaluation committees were preceded by a faculty-based self-evaluation.

The use of performance indicators by central management was a development that only really started in 1997. Before that, during the biannual meetings some rough financial indicators were used.

Discretionary power of academics
Almost all management positions were fulfilled by academics. On the central level, the Rector Magnificus was a full professor of the University of Twente appointed for a period of four years but frequently appointed for two periods. The other members of the central management were academics either from inside or outside the university. Deans were full professors appointed by central management, but in practice chosen by

the professors in the faculty. Deans in different faculties were appointed for different periods, but deans after finishing his 'tour of duty' returned to their faculty position and resumed the normal tasks of a full professor. The rest of the faculty management team consisted of teaching and research staff from inside the faculty. There were no departments below the level of the faculty, but there were *vakgroepen*, clusters of chairs headed by a full professor. These *vakgroepen* did not play an important formal role in the management of the faculty.

At a central level the deans form the College of deans which meets regularly with the rector. Their influence on the financial decision-making is informal. Since the university board has a formal right to establish the budget and the college of deans only talks to the rector who is not primarily responsible for financial matters even this informal influence is limited.

Changes within the institution

Changes in the organisational structure

At the end of the 1970s the University of Twente lacked student numbers and a clear position. In the early-1980s, as a consequence of this situation and a number of external changes (i.e. demographic trends, more financial accountability and decreasing government funding and interference) and internal changes (most importantly a new Rector Magnificus) the UT gradually created a new concept for itself: the entrepreneurial university. It also set growth targets: 6000 students by the mid-1980s.

The entrepreneurial university succeeded as a concept. It resulted in an increase in non-government funds and a number of initiatives aimed to strengthen the university's role in society. It also led to changes in the organisational structure of the university.

According to the university Executive Board entrepreneurialism also meant manoeuvrability. From the early-1980s onwards policies of central management were designed to give faculties greater autonomy. Importantly, the financial structure changed, as discussed next. Also, a range of authorities were de-centralised to the faculties.

The new, devolved university structure had its problems. Central management judged the distance between the faculties and the centre as too wide. In their view, the large number of faculties in combination with the de-centralised system led to fragmentation. The Executive Board started to explore the solution of merging faculties. An issue that remained on the agenda until 2002 when it was finally resolved.

Since 1989, central management has been introducing ideas to improve the governance structure of the university. These ideas never

passed the idea stage because permission to divert from the structures laid down in the law on higher education was never given by the minister. At that time the ministry of Higher Education was working on alternative designs for university governance and a new law was eventually passed through Parliament in 1997. Several smaller ideas for improvements in the organisational structure were turned down by the University Council.

At the beginning of the 1980s, the decision-making on the budget was a very political affair, with a high peak on every third Monday or Tuesday of September. On this date the budget was established by the University Board, often attended by the local newspaper, often adjourned and with many amendments. This changed in 1988, when funding was allocated on the basis of a model that was established in June. Discussions after this model was introduced tended to have a much more technical (based on simulations) and business-like character.

The model was decided upon by the university board, with only a marginal role for the deans. This situation changed after 1997 when the university board lost its legal right to establish the budget and a management team was introduced.

Apart from these meetings centred around the budgets, there was a biannual meeting between the university central management and the faculty management team. In the spring, these meetings were about the planning for the next year and the evaluation of the annual account (in the fall) about the budget. These meetings were well planned, with a list of action points that were taken from the previous meetings. 'Central management and faculty were not that familiar with each other. The faculty really came to visit. There was a distance from the members of central management specially those who were not rector.' (Again this has changed with the introduction of a management team, now the two parties are much closer and better informed.). The nature of these meetings changed slightly over the years. More and more performance indicators were used, first steps were made towards a system where deans would function under management contracts with central management.

In 1995, the organisational structures changed. The central management committee was reduced from five to three people and there was no secretary in the committee. The tasks of the secretary went partly to a 'normal' member of the central management committee, partly to the heads of services and partly to the deans (that received a little more autonomy).

Changes in the financial structure

When looking at developments in Twente's financial structure, two particular developments stand out. Both of these developments reflected national policies. The first was more financial autonomy for the faculties; the second was a shift from allocation on a historical basis to a mix of input and output funding.

The first development followed the HOAK paper that called for more university autonomy. This idea of autonomy was internally translated. Faculties could choose their own model to internally allocate funding and they received the funding lump-sum. The internal allocation of funding was changed into a lump-sum system in which faculties gained the freedom to spend their budgets as they wished within general constraints.

Apart from this de-centralisation since 1988, anticipation over HOBEK (a new financial allocation model) led to changes being introduced in the allocation models. This shows that HOBEK was a major driving force that changed the historic allocation to an input/ output model of allocation. This HOBEK has been integrated without many differences. Before it there was a more centralist approach.

The bureau for financial and economical affairs has played a key role in this process. They built the elaborate models that determined the allocations. The real changes centred round financing education. The main discussion concerned the keys with which funding was distributed. There were five different levels of financing, where the faculty of Chemical engineering received five times more funding per student than the faculty of Philosophy of technology. With the levels of financing established, the allocation was relatively straightforward.

Until 1990, a model was in place in which funding was distributed on the basis of incoming students, the number of P-exams and the assumption that 80 % of those students would graduate within 4 years. The allocation to the faculties took place on the basis of that assumption. After 1990, the incoming students, P-exams and D-exams were used as criteria for the allocation of funding.

With these numbers, a calculation of the funding allocated to the different faculties was made. If changes in the student numbers made the amount of funding diverge more than 3% from the year before, then the maximum change was set at 3%. In this way, the faculties had some time to adjust to radical changes in student numbers.

Since the allocation model at the UT distributed all funding over the faculties and only then charged a percentage as overhead, the creation of central funds has always been a sensitive issue. The establishment of central funds for strategic purposes was only established in 1997. The only exception was a small fund for setting up

new study programmes, but this funding was earmarked and could not be used for other purposes. To create some central resources, what has been in done in the past is that for (especially building projects) the central management has borrowed funding from the, sometimes considerable, reserves faculties held. Since 1997 these funds have grown considerably.

Changes in the industry-institution relationships

The concept of the 'entrepreneurial university' has led to several initiatives to strengthen the relationship between the university and industry. This has never meant that external actors got real decision-making power in the university. Over the years individuals from outside the university participated in the decision-making of the UT. There were lay members on the University Council, external members in advisory councils (at central and faculty level). Most of the external stakeholders did not interfere in detail in the university's affairs. Generally speaking they have an advisory role, discussing strategic issues from a distance. There is most certainly not some kind of 'lay dominion'.

Instead of giving external actors real influence inside the university, there have been several attempts to create links especially with regional industry. In 1979 a 'Transfer Point' was created; a centre that gave information to potential customers and that tried to facilitate contacts and contracts between the university and industry. The importance of this centre grew over the years, with 100 requests from industry in 1979 to 550 in 1983 and about 30% of those requests leading to actual contracts. Other initiatives have been a short-lived Dutch Entrepreneurs Forum and participation in the Teleport Twente project that aimed to create a high quality network of telecommunications in the region. (CHEPS, 1999)

Comparing two study programmes

Applied education

Applied education was already mentioned in a paper by the College of Rectors and Assessors in the 1960s, in which the case for a widening of the then fully technological university to the social sciences was put forward as a strategic choice. The reasons for this were that in the Twente region there were no other universities that offered social sciences or indeed any other non-technological disciplines. This provided a two pronged reason. First, there was the fear that students would not come to Enschede for lack of choice. Second, the university wanted to strengthen the, regional, functions of the university and offer it a wider range of disciplines. Applied education ended up in this paper

because there was a powerful person trained in educational science in the university during that time.

In that sense there was never real market research done for applied education. There was, however, consensus in the university that there was a need in industry for technologically schooled educational scientists.

By the end of the 1970s a preparatory committee was formed for applied education. To investigate the possibilities and content of an educational science based in both the social and engineering sciences.

Applied Education was not established as a consequence of market research. However, when the content of the programme was defined it was partly based on a form of market research. As a respondent stated: "We had the strong feeling that a study-programme needs to be shaped along two lines, first from one's own vision on the discipline, second, based on the wishes of the potential employers of future graduates." Visits to American colleagues working in similar study programmes furthered the first line. In the second line interviews were held with potential employers (e.g. companies, health care institutions, ministries, the national railways etc.) In this sense Applied Education was competence-based education, *avant la lettre*. Large parts of the study-programme were filled in with the help of these conversations.

One of the results of this focus on employers was that Applied Education did not give its graduates the engineers' title 'Ir.' but the more general master's title 'Drs'.

To estimate the number of students a study has been done to see how many Applied Education-graduates were necessary to replace people retiring from their jobs in the field of applied education. Then on the basis of self-confidence an estimate was made of what market-share could be captured for by the University of Twente.

Apart from the working committee there was an advisory board, that met twice a year and reflected the proceedings of the committee. In this group, members of the education discipline, industry and ministries were represented. The results of the preparatory research were discussed in this group. The rector chaired the advisory board.

The university's central management was very supportive, partly because the rector himself had a background in Educational Science. This is illustrated by the fact that although the ministry funded students as gamma-students the university funded them as beta-students. This meant that the university was subsidising Applied Education at its own expense. The reason was that there was a strong belief in the university that Applied Education should have laboratory facilities comparable to

the engineering faculties. This special funding arrangement was abolished only in the early-1990s.

Notwithstanding central support, the development of Applied Education took a long time. This was caused partly by the Educational Scientists who were very eager to show the world how curriculum development should ideally be done. Moreover, there was no great pressure on new study programmes. Expansion in those days meant negotiating with the ministry and the quality of the proposal was a decisive factor in the acceptance of expansion. Therefore it often was beneficial to further improve proposals instead of rushing them through.

Outside the university and apart from the ministry, Applied Education had to deal with the Academic Board, a board in which all disciplines were represented. The section of this board that dealt with Education Science had to approve the study-programme before the minister would make a positive decision. Getting approval from the board proved to be no problem as the advisory board had many distinguished scientists on it and second the university could show a range of foreign examples of the chosen approach.

Other universities did not strongly in oppose the new programme in Enschede, most importantly because in most places Education was not a faculty but merely a *vakgroep* with less of a voice outside the university.

Applied Communication

The idea for a new programme started with several academics who had an interest in communication and who were already providing courses in communication for engineers. On this basis plans were made for a programme in communication sciences at the UT. The process started in 1986 with the question what such a programme should look like. Within the context of the UT the important question was on which discipline it should be based: philosophy, public administration or business administration. In the end the choice was made that applied communications would be characterised by the fact that it "studies communication in the context of organisations and policy. This is its core-business and this is partly a result of its focus on the needs of practitioners."

In 1989 a steering group was founded in which the faculties of philosophy, public administration, business administration and applied education were all represented. At the same time, a preliminary curriculum was designed within the faculty of philosophy. An advisory board with people from the discipline (professors from Amsterdam and Nijmegen) was created. This board was critical because applied communication was based both in psychology and linguistics, a new phenomenon in the discipline. The important role of public

administration and business administration in the programme was criticised on similar grounds. In a later stage informal interviews were held with people from industry, government and foreign colleagues as a means to design a market relevant programme.

In terms of internal decision-making at the University of Twente, there was resistance because already scarce resources had to be shared with more faculties. This lack of funding remains a problem. When Applied Communication was established its research side was neglected because, including investments for a strong research programme would have made it impossible to reach a positive decision on the creation of applied communication. Instead the faculties of applied education and public administration were expected to redirect some of their research towards communication. This never really happened.

In the end, the programme started within the faculties of public administration and business administration. Later, under pressure of central management, the faculty of Applied Education was added. The arguments that were used in favour of TCW were that:

- It could be established using existing staff.
- It was a way of saving psychology that was less and less chosen as unit by the engineering students, on top of the fact that there was increasingly less room in the engineering curricula to include social sciences.
- It fitted the profile of the university with both social and engineering sciences.
- There was a sense that employers were looking for applied communication scientists.

Interestingly these are all reasons specific to this particular programme. Yet, in hindsight, the programme was part of a wave of programmes in communication that were established in the early-1990s.

The programme has been operating for several years and there is no formal monitoring of the market, yet. The faculty is working to create a board of advice. Informally through participation in government committees and contact with the market the faculty does receive information.

Literature

CHEPS (1999), *Higher education in the national economy; Universiteit Twente*, *Dutch case study*, Enschede: Universiteit Twente (not published).

Institutional case study: Hogeschool voor Economische Studies Rotterdam

The Hogeschool voor Economische Studies (HES) was established in 1966, a year earlier than three other *Hogescholen* for economics. The school was established as a consequence of a growing industry demand for practically oriented economists, but also because the new law on education offered the possibility for this type of higher professional education. The first decades saw a steady growth of the HES in terms of student-numbers, staff and number of programmes.

In the 1980s this process continued and even accelerated. The student population that was relatively large for a specialised *hogeschool* made it possible to refute the government pressures for a merger with other *Hogescholen*. Although government pressures have continued through HOOP the HES persisted. It maintained that it served a particular niche in a market and that it had a particular identity that would be lost in a merger. Also there was a distinct '*esprit de corps*' that would not survive in a merger and that was thought very important for the school. Eventually, during the 1990s the government allocation mechanism proved to be adverse for smaller schools, which in 2001 led to a merger.

Type of higher education institution

Discretion over funding: central – de-central

Budgets in the period under study were centrally managed. In the early-1980s central management had very little discretion because the state had a tight grip on the financial management of the institution. There was a board of trustees with a treasurer that had to approve even relatively small expenditures. One respondent remembered the frequent frictions between the director and this treasurer of the board of trustees.

Later central management got more discretion, both vis-à-vis the state and the board. This freedom was reinforced because the HES grew quickly and built up reserves that could be used strategically. The position of central management was also strengthened because an Executive Board model was introduced. This meant a smaller board of trustees and no daily board as part of this board of trustees. Budget allocations were fixed at a central level, with a minimal freedom for the *vakgroepen* to spend funding. There is very little funding earned at de-centralised levels

Discretion over the content of teaching and research: central – de-central

Content of courses was decided on the level of individual teachers. Under the *vakgroepen* structure there was very little power for the programme co-ordinators to influence the contributions of teachers to the specific programmes. This autonomy of the individual teacher became clear when the WHBO was introduced and the study programmes at the HES were reviewed. Many teachers had been working on their own hobbyhorses. The course contents were established by individual teachers and their *vakgroep* chairman. In general there was little concern about the context of the course and there was little influence from other levels in the organisation.

Central management did have a responsibility for the content of education as well, not on a day-to-day basis but in the event things went of the rails central management would interfere. The role of central management becomes clearer when looking at an important organisational change that took place in 1996. Although this operation does not fall within the period under study here, it does reflect the way in which the institution was governed before the changes:

> The delegation of tasks may not lead to an autonomous behaviour of the educational programmes. The Executive Board remains responsible for the steering and evaluation of activities within the educational programmes. They way in which steering is organised changes fundamentally: from a direct personal way of management to a form based on policy-contracts and setting of tasks.

This reveals something of how the institution was managed before 1996. There was no formal system of planning and contracts between central management and the programme co-ordinators but there is a direct personal line management in which these chairmen of *vakgroepen* and programme co-ordinators are sub-ordinate to central management. The programme co-ordinators had little authority over the teachers in their programmes. They had no formal authority, could not wield financial authority and had no support staff. This left them in a role where they could only plan teaching timetables. The chairmen of the *vakgroepen* were more or less in the same position and the *vakgroepen* had very little relevance to the organisation as most teaching was done in multi-disciplinary programmes.

There was a monitoring system for the tasks that teachers perform outside their teaching duties. Quality control systems, although mentioned in the quote above, were judged by most respondents to be very minimal at least outside the national evaluation system. But with the programme co-ordinators' lack of power it was difficult to do anything with the outcomes of the evaluations. Performance indicators have never really been used. There is a representative advisory body of

students and staff that has always played some role, though not with many formal powers.

Discretionary power of academics
Management positions in the HES were almost all fulfilled by former teachers, who chose to pursue a career in management instead of teaching. Although these managers had a teaching background, their choice for management is a career move and they did not return to 'normal' teaching positions.

There was a selection process for management positions and managerial skills were important criteria, especially with the growth of the institution in late-1980s and early-1990s. This focus on managerial qualities led to hiring managers from other areas then teaching. These managers, however, often left. As one respondent said, "they did not realise how different the life of a manager is in an institution like the HES."

It is clear that although teachers have great autonomy with concern to the content of their work, in terms of financial and strategic decision-making they were not very involved. There was an advisory council, representing staff and students, with an advisory function. The role of this council was important in, for example, the large reorganisation at the HES. Interestingly the unions were mentioned as playing a role when it comes to decisions concerning personnel management.

Changes within the institution

Changes in the organisational structure
To understand developments at the HES there are two key issues that must be understood. One is the enormous growth the school. The other is that the school only merged with other higher professional education institutions, in 2002, which was much later than most of the Dutch higher professional education institutions.

On the first point, in the early-1980s the school was small and was able to select its students. It selected only the best and had a slightly elite attitude. Throughout the 1980s and early-1990s it experienced tumultuous growth. The HES quadrupled between 1985 and 1995. This had, as will be shown, serious implications for the management of the school. It resulted in a big organisational change in 1996/1997. The growth itself was caused by a combination of factors. The first cause was the increase in demand, (i.e. the general wave of massification that affected almost all higher education institutions). A second was the fact that the HES had until the legal changes that brought higher

professional education under a similar legal regime as universities, selected its students and was now not allowed to do so anymore. This was combined, with the fact that the HES was allocated budget on the basis of student numbers. Together these made the growth of the HES possible and also a rational objective to pursue.

The fact that the HES merged so late is more difficult to explain. Merging with several other small higher education institutions had been considered in the late-1980s but in the end was judged not beneficial. The benefits of scale enlargement were seen as less important than the benefits of a small well-organised institution that catered to a niche-market. Throughout the 1990s the pressure to merge has been mounting. Government in several planning statements has argued that higher education institutions like the HES could better merge. The financial allocation model was beneficial for larger higher education institutions with more students. Also the very large investments needed for ICT were difficult to make for a small institution like the HES. The final straw was that the Hogeschool Rotterdam got permission to offer the same study programmes the HES was offering. Instead of competing with this much larger institution the HES has chosen in 2002 to merge with the Hogeschool Rotterdam.

In the early-1980s the organisational structure of the HES was similar to that of an institution for secondary education. This fitted with its legal position under the law on secondary education and meant that there was a school board and a daily board under the aegis of which the central directorate was operating. It also meant a centralisation of power in the director. One of the respondents recalls meetings, in which the director would come, stand in the doorway, ask about the matter under decision and take the decision while standing in the doorway. A consequence was a very informal organisation in which teaching staff and management were seeing each other first and foremost as colleagues. A further consequence was an organisation centred around disciplinary based (informal) departments.

The school board consisted of directors from the harbour, professors from the University of Rotterdam and large companies in the Rotterdam area (and area that is heavily industrialised). The board itself sought for new members if one of the members needed to be replaced.

Before 1996 only minor changes occurred in the internal management of the institution. In 1985 the central management structure changed and the large school board was abolished. The smaller daily board becomes the regular board and keeps more distance to the school's central management. At the same time the central directorate was renamed C*ollege van Bestuur* (Executive Board) similar to universities in the Netherlands.

With the starting of growth in the late-1980s, support staff in the school was professionalised. Special departments for finance, ICT etc. were created, where in the past those types of functions were performed by teaching staff and only one administrator.

In 1988 a central system was developed to monitor the hours that teachers spent on tasks next to their teaching, like administration, course development, co-ordination. This system improved the balanced allocation of these tasks over teaching staff. It also ensured the monitoring of the results of these tasks. At the same time a computerised budget system was created (see next section). But, these two systems were not integrated, mainly due to software problems.

The LTV operation that transformed the organisational structure of the HES started in the early-1990s but it took until 1996 before the new organisational model was implemented. Respondents give several explanations for this slow pace of change. First, change in an institution like the HES has the pace of the academic year, where all developments stop in between two academic years. Second, during the period in which the new organisational model was designed there were several talks about a merger with other higher education institutions, blocking the development of a new organisational strategy.

The thrust of the organisational change was basically a shift away from an organisation based on disciplinary departments towards an organisation based on study programmes.

Changes in the financial structure

In the early-1980s, institutes of higher professional education operated under the law on secondary education. Financially this meant that teachers' salaries were paid for by the state and that other expenses had to be requested from the Ministry of Education. This meant that financially HES had little autonomy.

This changed in 1986 when a lump-sum model of financing was introduced. Financially the HES rather benefited from this model because it was capable of rapid growth. To that point, HES growth had been limited through a strict selection process of incoming students. With selection gone (with the introduction of the WHBO it was prohibited by law) no students were excluded and growth set in. At the same time the HES profited from a low-cost building that was used to its maximum capacity.

Funding prior to the LTV operation was centrally controlled. *Vakgroepen* were given FTEs depending on the amount of hours they taught classes. After the LTV operation the idea was to give educational programmes more financial autonomy. This was realised to a certain extent, but there have been some major setbacks. The computer

programme that was used was cancelled by its provider because there was too little demand for it on the market. This made it difficult to give autonomy to the educational programmes in terms of staffing. FTEs could be registered but salaries could not. This made it impossible for programme directors to benefit from efficiency gains by hiring cheaper staff or not relying on expensive externals. For non-staff expenditure funding was allocated to the programmes based on the number of students in the specific programme.

Changes in the industry-institution relationships

The HES has in various forms always had a board of trustees. On this board there were external members including members from industry. But the role of the board has never been a determining influence on the school. Although, as will be seen in the case of ISER (see next section), support by the board may facilitate certain developments. What has been important just as well is the fact that the school has been established by industry and this has left a tradition of facilitating industry by the school.

An ongoing influence on the school is the company internships all students are required to take at a company. This secures a lot of contact with such companies. There are also some specialised study programmes, like the *Rabobank academy* in which the company requesting that programme has a much larger voice. In general respondents were cautious about giving industry too large an influence and pointed out that the school had more responsibilities than serving one specific industry.

Comparing two study programmes

International school for Economics Rotterdam

The international school for Economics Rotterdam (ISER) was created because growing numbers of student wanted to study abroad in the late-1980s. To make true exchange between students of the HES and international students possible, education in the English language was a necessity. The content of this English language education was based on the curriculum for Business and Management already taught in an international network of higher education institutions.

No real market research was done for this programme. Market research was not yet required, as the ACO was not yet in place to request such research. Some informal market research was done internally. The interest of students currently studying at the HES was measured in a small survey carried out by students. The primary target group was Dutch students wanting to study abroad.

Interestingly there has been a profound change in the motivation to carry out this programme over the years. While the motivation in the late-1980s was that such a programme was necessary to create student-exchange, this changed by the mid-1990s. The reasons for this were both positive and negative. On the negative side, Dutch students at the HES were less and less interested in studying abroad. On the positive side a whole new international market had opened up for which HES was well prepared with its international programme. Many Asian and especially Chinese students went to the HES to study. This was a completely different market, with a lot of competition as HBOs in the Netherlands had gone *en masse* to promote their programmes. Although the student fees were interesting, 4,000 euro plus the regular state funding per student, cost were also very high. HES had to establish an expensive infrastructure in Asia, to reach, test and select students and to provide English and basic economics courses. Although there was a lot of competition in this market for Asian studies, the institutes of higher professional education did work together to some extent. Different schools had different tariffs but there were attempts to limit differences between prices at different schools. Moreover, schools did not take over each-others' students once these students were in the Netherlands, which was when they normally found out that similar programmes cost less elsewhere.

One of the initiators of the international programme was the chairman of the central management team. He surrounded himself with a small group of enthusiastic people. There was some opposition to these plans, especially to the costs and the fact that a small group of people got the possibility to travel internationally. Although there was some subsidising (EU, Erasmus programme) a lot of HES-funding had to be invested.

The board of the school supported the initiative and was very involved in its realisation. The treasurer had to sign even for small investments. With the involvement of the board the programme was perceived by some in the school as elitist, which increased their resistance.

In short, the programme was initiated centrally, picked up by a small group of enthusiasts and then pushed very strongly forward from the top.

There were some problems with the design of the programme. As stated above, the HES joined and international network of Business and Management programmes and adopted the curriculum of this network. This caused some problems because the programme was started under a (state) licence for Commercial Economics. The international Business and Management programme did not comply

with the profile a Commercial Economics programme was supposed to offer. To request a new licence would have taken at least three years and much discussion with the Inspection. This was avoided.

With the regular evaluations of the programme this could not go undetected. The HES was by no means the only school that had this problem. Thirteen programmes in the Netherlands co-operated to get the programme of International Business and Management Studies accepted by the ACO. The preparation for the submission to the ACO was carried out by an external bureau, which fulfilled all requirements, like a study of the market or macro-efficiency.

Literature

Davids, M. (1991), *Praktisch bekeken; De geschiedenis van het hoger economisch en administratief onderwijs in Nederland en in Rotterdam in het bijzonder, 1966-1991*, Kampen: Kampen-Kok.

HES (1996), *HESpers*; *Informatieblad voor personeelsleden van de Hogeschool voor Economische Studies Rotterdam, Extra Editie LTV*, 9 (5).

HES (1994), *Rapport van de Werkgroep 'Lange Termijn Visie'*, Rotterdam: HES, (internal report).

Institutional case study: Hogeschool IJselland

The Hogeschool IJselland is a medium sized hogeschool in the city of Deventer. The *hogeschool* was established in 1986 and arose from a merger of seven mono-disciplinary *hogescholen*. A first step towards the merger was made in 1977 with the founding of the Foundation Co-operative Body Higher Professional Education Deventer (SHBD). After the start of the government operation Scale-enlargement, Task-reallocation and Concentration in higher professional education (STC) in 1983 the *Hogescholen* moved towards an "ever-closer union".

After the merger in 1986, the new institution started off on the basis of a merger-plan. Contrary to most merging h*ogescholen* in the Netherlands, the Hogeschool IJselland did not choose a federal governance model. Instead it formed a line organisation with clear hierarchical relationships. In this model, the different constituting schools were (sometimes combined or split) transformed into four faculties. An important theme in this case study that is a logical consequence of the merger was a tension between central and de-centralised units especially in the early years of the new institution.

In 1987 the first development plan was formulated. This plan was aimed primarily at the educational issues. Three central targets were formulated in this development plan: attracting more students, embedding the higher education institutions in the region and accommodating the higher education institutions in one location. These three goals, especially the first and the third, shaped developments in the late-1980s and early-1990s.

Until the early-1990s there was a clear necessity for growth at IJselland. From 1992 onwards in the new development plans the focus on growth was shifted from this quantitative objective to more qualitative objectives. The nature of these objectives can be summed up in the mission of the hogeschool: 'we deliver tailor-made knowledge in an inspiring climate'. It consisted of measures like a growing attention for the interests of students, shorter courses, improvement of study-performance, expansion of the range of courses offered and a comprehensive quality assessment system.

Type of higher education institution

Discretion over funding: central – de-central

Budget holders were the Directors of Faculties. Within the limits of their budgets these directors were free to decide on the distribution of means. There was no limit for them to choose between personnel or capital

goods. Moreover, within each faculty the director had a choice of how to distribute his funding across departments. In IJselland there existed several different allocation mechanisms in faculties resulting in different levels of department autonomy.

The budgets were fixed on a central level by the Directorate (see changes in the organisational structure) based on a formula. From funding that flows in the institution, costs of central services were first taken out and the rest was allocated to the faculties on the basis of the national allocation formula. Discussions in the Directorate were about the funding that was re-allocated from faculties that were making funding to faculties that were loosing funding. There was also the centrally established requirement that all faculties were obliged to use 5% of their budgets for new projects and programmes.

Discretion over the content of teaching and research: central – de-central

New courses were initiated at any level in the organisation. In any case programme development was a combination of bottom-up and top-down activities. From the early-1990s onwards there was a development to a more (student) market-oriented approach. Questions that were central to this approach were how to maximise student inflow, how to market and how to choose new programmes. At IJselland there was very intensive and centrally organised research into student interests. The process started with questionnaires on the open days. If students did not choose the institution they were asked why. If they did enrol then they were interviewed during and after the programme on their opinions with regard to their programme. This information flowed directly into the policy-process. Both in terms of marketing but also which new study programmes should be chosen. The decision on which courses to offer was also based on an analysis of other higher education institutions in the environment (e.g. Arnhem or Enschede). Moreover, there was research in the interest of high school students.

This central approach to course developments can be explained from the somewhat precarious situation of the *hogeschool*. Deventer is a small city region surrounded by big conglomerates (Twente, Arnhem/ Nijmegen and Zwolle) that have been treated as such in government support policies. The position of IJselland was never self-evident. There has always been a culture of fighting for its survival.

Showing that there was a student and an employers' interest for a new programme was done by both central and faculty management. The rest of the development process was split. Central management (Central Bureau for Policy Planning) took care of the national procedures and faculty developed the content. Initiatives could come

from all sides (Executive Board, faculty director or employee of policy bureau).

The regular evaluation of education was organised on de-centralised levels. Evaluations were carried out and results used by teachers. Information out of these evaluations was also used in annual 'functioning meetings' between programme co-ordinators and teachers.

The role of the advisory council (both on central and faculty level) became more important because they became more professional over the years, meaning that they obtained independent means and took courses. Their ultimate formal power was that they must validate the budget.

Discretionary power of academics

After the merger the Hogeschool IJselland started with managers from inside the higher education institutions, directors of the schools became managers in the newly merged institution.

When the merger took place all directors of the merging higher education institutions could apply to become a member of the Executive Board. There was a serious selection and of the seven directors two became members. The third member was recruited externally. The directors were either internally or externally recruited. Of the externally recruited directors all, but one, had an educational background.

Although management ha been remarkably stable, some people have left. To replace these some new directors were externally recruited. This has sometimes proved problematic and has led to the realisation that managers need to have a feeling for education or at least for how to manage professional.

On the level of education programmes the directors were sometimes fixed and sometimes on a 'tour of duty' basis. Their responsibilities depended on how much the faculty director delegated. This depended to a large extent on the amount of complexity of the faculty (the number of programmes in it). For example lump-sum personnel budget could be delegated. But the directors remained responsible.

Teachers have had a limited influence. They are very much oriented to their traditional professional background and ways of teaching. Educational reform has often been driven from the top-down. Educational scientists were hired by the centre and they developed ideas for the entire organisation. But at the same time there were de-central initiatives. All development has been characterised by much counselling. Changes were also wrought by providing teachers with courses or through quality assessments and reviews.

Changes within the institution

Changes in the organisational structure

In the period from 1980 till 1995 IJselland witnessed many changes in terms of the primary processes, the environment of the organisation, a big merger, growth in student numbers and the consequences of these for the secondary processes in the organisation. In terms of the primary processes in the institution the most important development was that the traditional teaching methodology in classes transformed into competence based, problem oriented education. This process was by no means finished at the end of the period under study here, as dealing with a new housing situation and growing student numbers was of more immediate concern.

The most dramatic change the institution encountered was in 1986 when its relationship to the national government changed. From 1986 onwards the institution gained a much more autonomous and de-centralised position vis-à-vis the state. Funding from then on was awarded on a lump-sum basis to the institution and it was free to make its own strategic policies.

Partly in preparation to this new situation the 'hogeschool IJselland' was created, as a new institute based on a merger of seven higher education institutions. From 1976 onwards there had existed a foundation in which the schools were co-operating. The foundation had a board on which all directors were represented. The purpose of foundation was to explore the efficiencies of scale without a full merger. Several arrangements were made such as students taking courses at other schools. The higher education institutions shared several facilities, like an audio-visual centre and sporting and library facilities. Though some of advantages of scale were realised decision-making within the foundation was still based on consensus between all of these directors, which made decision-making difficult.

Inside the merged schools the organisational model was comparable to that of schools of secondary education. There was one director in charge of the school who with very little staff and with very strict state regulations managed the school. In the non-state schools that joined the merger, the regulations were similar but on top of this there was a foundation with a board of trustees that held some authority. In all of these schools salaries, administration and many other things were handled by the state.

When in 1986 the seven higher education institutions in the foundation were merged, four faculties were created out of the seven higher education institutions. Directors of the old higher education institutions got the chance to apply for a position in the new Executive

Board or as a director. Some new people were employed, but the central actors in the organisation remained remarkably stable during the period up to 1995. This stability is explained by the respondents in three ways. First, the co-operation prior to the merger made the merger much less difficult or painful. Second, the location of the school in Deventer, a small city that makes the position of the school vulnerable, "it is not self-evident for Deventer to have a *hogeschool*". This has resulted in the widespread focus in the institution on survival and the acceptance that changes may be necessary in order to survive. Third, the fact that the school was not a foundation and thus did not have a board of trustees made it clear to all parties involved that if there was a conflict there was no third party (the trustees) to go to. In IJselland this has led to low levels of conflict and a resolution of conflicts of conflicts that did exist between the director(s) and the Executive board internally.

The new organisational model changed decision-making. In the new organisation model there was one Executive Board as a supreme authority. It worked closely with the faculty directors in a Directorate, especially when it came to strategic decision-making. This Directorate met very frequently, especially in the first years, once every one or two weeks, as so much had to be built up. Within the Directorate there was still collegial decision-making, but with a central role for the Executive board, that also can use 'one to one' deals in preparation for decision-making within the Directorate.

The heads of services (economic, personnel, student affairs, etc.) are not included in this directorate, but they are part of the 'large Executive Board' and they attend meetings of the directorate if their expertise is required.

The level beneath the faculty was organised in educational programmes, often with a director. But this was not formally arranged and differed from faculty to faculty. Only the relationship between the Executive Board and the Directors of Faculties was formally arranged.

If relevant then advisory councils and unions were involved. Advisory councils focused on the internal organisation of the institution and not so much on strategic policies. They were mostly concerned about matters of personnel and work-floor safety. This can partly be explained by the fact that these issues were in their immediate interest.

Within this organisational model there were many bottom-up initiatives, but these initiatives always reached the Directorate through a line manager. At the end of the day the Directorate decided supported by, as one respondent put it, "some informal committees".

After 1986 the first fundamental change in the organisation came when in 1996 the new building was brought into use though this primarily affected the organisation of secondary processes. One building

made the centralisation of until then fragmented support-staff possible (i.e. personnel management, economic affairs but also catering and cleaning).

Changes in the financial structure

Financially, the environment of the institution changed radically in 1986. Up to that moment the school operated on a declaration system. It received from the state fixed amounts for housing and personnel, with a necessity to get permission for all extra expenses. Moreover, many bills like for example energy bills were paid directly by government.

After 1986, with the exception of housing, all other aspects were financed lump-sum, based on a formula that primarily took into account the number of students studying at the institution. This meant that from that moment onwards there were more opportunities to organise work and facilities efficiently or to operate more business-like.

This had repercussions for the schools internal allocation models. From 1986 onwards the school developed its own mechanism to allocate funding. First the costs of central services were taken out, after that the rest of the funding was allocated to the faculties on the basis of the national formula, plus or minus reallocated funding. Reallocation took place when faculties suddenly faced lower student numbers and needed time to readjust their expenditures to their income. This happened quite often since there was a 'business-cycle' for study programmes, where certain programmes sometimes had to many or too few students.

The central funding taken off the budget served two purposes. First it was needed for central staff. This was a post that grew over the period from 1986 to 1995. The second purpose for central funding was strategic investments. This post went down in the same period. In the first years after the merger the size of this post used to be 5% to 10% of the total budget of the institution, now this is close to zero. The faculties, though, are still required to spend 5% on innovations. In other words central funding taken out of the budget in the past was used for strategic investments like new educational programmes and new locations (like Apeldoorn). Later as a consequence of growing student numbers and the impact of state regulation (e.g. the growing stress on accountability) central funding was used to pay central staff. While student numbers were an obvious driver for the growth in central services, state-policies, like quality assessment, visitations, ARBO, etc, are important just as well. More and more rules and regulations mean that more and more staff is necessary to deal with these policies.

Changes in the industry-institution relationships

The old schools before 1986, if they were not state-schools, were foundations and had boards of trustees. Trustees that were external to

the school often did have an impact on the schools policies. After 1986, foundations were abolished but every study programme had its own Advisory Council with employers and other external members on it.

Moreover, from the beginning of the 1990s external activities were offered (i.e. special modules and courses offered on a contract basis to institutions of medium-level professional education (MBOs), small Entrepreneurs and Banks) but up to 1995 this was a limited activity. Not much funding was earned with these activities. A more important function was the fertilising effect it had on regular education. Before this no teachers were able to teach or advise at this level. The idea therefore was that these activities should cover their own costs.

The school also had more and more interaction with employers in the region. These contacts took place in informal networks. In terms of markets on which the school focused, there was much more concern for high school students than for the wishes of local employers.

Comparing two study programmes

HBOV

The nursing programme was started in 1978 when the city of Zwolle decided that they had a right on a nursing school. At the time of initiating the school there was a shift away from on the job training of nurses to more professional training on a higher education level. The local government argued that according to national criteria there was room for a school in the region and that Zwolle was already developing into a regional centre for higher education.

One of city's civil servants handled the procedures to get the school financed by the national government. A decision was made that this should not be a municipal school, but a special school (religion based), so a foundation was created with a board of trustees (with education and health care people). The learning plan for the school was created by Zwolle's policy department. After sending in the learning plan and a lot of lobbying the school was granted to Zwolle.

Only from this moment staff was hired. In April 1978, a director and an administrator were hired and they together were made responsible to set up the school. Following their appointment two teachers were hired by a committee consisting of members of the board and administrator. Still later ten more teachers were appointed.

Since the school had no past there was no stifling tradition. The whole process of developing the school and the curriculum was done quickly and collegially. The speed of developing a curriculum was enhanced by largely copying it from other HBOVs and by consulting many other HBOVs during the developmental phase.

In August part of a building was given to the school and a starting conference was held with all teachers to harmonise all activities. The school then opened its doors to approximately 150 students.

Spatial Planning

Spatial Planning in IJselland was established in 1992. It was initiated by the Executive Board who arranged its place in CROHO. The hogeschool was always looking for new courses that could be established as part of its general strategy of growth. The 'market' for new courses was constantly scanned for possibilities. This was not so much done through real market research, but much more by looking in the hogeschool at what programmes could be established based on the existing capacities and then match this with programmes that were not offered yet in the region. With a *vakgroep* in environmental sciences that was already offering a course in environmental planning, spatial planning was such a potential programme. The only two other *Hogescholen* offering this programme were Tilburg and Utrecht, which operated in different parts of the country.

It was only after these choices were made and the first formalities were handled by the Executive Board that the *vakgroep* Environmental Sciences was informed. They were asked to design a programme of Spatial Planning. To this end a project leader was assigned from within the department who, together with other faculty members designed the programme. Being part of a hogeschool, which they saw as an institution that trained professionals, they chose to base the programme on the skills and knowledge practitioners needed. The programme was informed by the experience with the above-mentioned course in Environmental planning, which had many professionals (civil servants and consultants) on it. The design in the form of an education plan was presented at a conference to a group of practitioners in the field of spatial planning and academics. This resulted in a few minor changes in the programme. The plan was also submitted to the professional organisation for Spatial Planning (Bond van Stedelijke Bouwkundigen). This organisation needed to accredit the programme in order for the students to be recognised officially as 'spatial planners'. After the programme was ready, the faculty took care of the formal decision-making like installing a programme director and other teachers etc.

Literature

CHEPS (1999), *Higher education in the national economy; Hogeschool IJselland, Dutch case study*, Enschede: Universiteit Twente (not published).

Appendix three: list of respondents

University of Bath
- Ian Jamieson
- Keith Walton
- Howard White
- Diane Aderyn

Lancaster University
- Oliver Fulton
- Marion McClimtock
- Greg Myers
- Allison Easton
- Sarah Randall Paley
- Paul Trowler

University of Central Lancashire
- Ken Philips
- Christine Taylor
- Lesley Munro
- Joe Pope
- Maureen Robinson

University of the West of England
- Rod Coleman
- Peter Hawkins
- Geof Channon

Rijks Universiteit Groningen
- George Mulder
- Henk Voogd
- Bert Creemers

Universiteit Twente
- Rob van Dijk
- Erwin Seydel
- Tjeerd Plomp
- Frits Schutte

Hogeschool voor Economische Studies Rotterdam
- Piet van Milt
- Guus Egas Reparraz
- Wijnand Zijlstra
- Michel Molier

Hogeschool IJselland
- Michiel van Buchem
- Rob Tersteege
- Rob de Goede
- Liesbeth van Asten