

Press release: 30 November 2009

Europe's universities lack 'genuine autonomy' from state control – EUA Report

A new study (published today - 30 November) analysing and comparing university autonomy and governance across 33 European countries highlights that universities still lack genuine autonomy.

While many governments, the university sector and indeed the European Commission have recognised that increased autonomy for universities will be a crucial step towards modernising universities in the 21st century, the new report by the European University Association (EUA) highlights that in practice public authorities still play a too central role in the regulation of the higher education system and, in a large number of countries, still exert direct control.

Despite the fact that public authorities in a number of European countries have moved away from direct state control towards more 'indirect' steering mechanisms, universities generally still lack autonomy in many crucial areas, in particular in terms of managing finances. At a time when the overall levels of public funding in education are stagnating across Europe, and universities are increasingly being asked to look for alternative funding sources, EUA believes this lack of autonomy is a real threat for the sustainability of Europe's universities.

The study focuses on more than 30 different indicators in four key areas of autonomy: organisational autonomy (e.g. academic and administrative structures leadership, governance) academic autonomy (e.g. defining study fields, student numbers, student selection, and structure/content of degrees) financial autonomy (e.g. ability to raise funds, own buildings, borrow money) staffing autonomy (e.g. the ability to independently recruit, promote and develop academic and non academic staff)

These are just a small selection from the key findings of the study (please see notes for editors for more detailed list of findings):

- **Flexibility to use public funding.** In the majority of systems (26), public funding is allocated as block grants (lump sums), increasingly based on performance criteria. In a few countries however (including Bulgaria, Turkey, Latvia, Lithuania, and some German "Länder"), universities are still faced with line-item budgets preventing them from moving funding between different activities. Even block-grant funding does not mean, however, that universities can necessarily use funding as they wish (for example restrictions can prevent shifting finances between broad categories).
- In only half the countries surveyed do universities have the right to own their buildings, which is important for being an independent financial actor. Furthermore, even those universities which own their real estate are not always free to sell without supervision of the Ministry. The majority of countries (22) allow universities to borrow money. However, legislation (particularly in northern Europe) can restrict the overall amount borrowed and universities may need prior authorisation from the relevant Ministry. Less than one-third of the countries (11) surveyed allow universities to **invest in stocks and shares**.
- In some countries, universities are gaining a greater flexibility in terms of human resources management; staff are increasingly directly paid and/or employed by the university rather than the government. However, universities clearly have less freedom to manage **individual salary costs**. A number of countries reported restrictions which include prescribed salary 'bands' or the ability to set salaries of only certain staff categories. In addition, in almost half of the countries all or the majority of staff have civil servant status, which is a less flexible form of employment.

- **Governance:** In the majority of cases (29) the framework for university decision-making bodies is stipulated in the law (however with varying levels of autonomy for the university regarding selection and number of board members).

The study highlights that external members (from outside the university) are increasingly involved in university governance. Their selection is either controlled by the university or the state or jointly (in the majority of countries). There are varying degrees to which these members are implicated in the university's governance, ranging from full strategic involvement to mere advisory capacity.

- **University leadership:** regulations about the university leadership are generally strongly shaped by national legislation. For example, the university leader's (rector, vice chancellor) term of office is determined by law in two-thirds (24) of countries. In the same number of countries the Rector's required qualifications are defined by law and not by the university. The shift towards 'Chief Executive Officer' (CEO)-type rectors in certain western European countries appears to go hand in hand with a greater autonomy in management and structure design.

Report author Thomas Estermann, explains: "This report underlines that while there is broad agreement between stakeholders on the importance of university autonomy, there has been much less success in transforming this from rhetoric into reality. Particularly where financial issues are concerned, if universities are not free to act in the interest of their students and staff, then the other dimensions of autonomy may as well only exist in theory."

This report by EUA will form the first basis of a new two-year project to develop a scorecard that will benchmark university autonomy (on the national level) across Europe. The Autonomy Scorecard will be a major tool both at the national level and at the individual institutional level, serving as a reference for national governments wishing to benchmark their progress on governance reforms vis-à-vis other systems, whilst also helping to raise awareness among universities of the differences that exist in Europe. The launch of the Scorecard is due to take place at the end of the project in the **winter of 2011**.

Ends –

Notes to editors:

- The full report will also be available on the EUA website www.eua.be from Monday 30 November.
- All of the graphics from the report are available on request and can be published providing they mention the source (European University Association)
- Please find below a more comprehensive selection of key findings from the report.

1. **Organisational autonomy.**

- In the majority of countries/systems (21), universities are free to decide on their overall administrative structures. In three countries however, (Turkey, Luxembourg and Cyprus) faculties are actually listed in the law and in the remaining countries, universities must follow legal guidelines on administrative structures.
- **External members and governance** (those from outside the university community) are increasingly becoming involved in university decision-making and governance structures. Their selection is either controlled by the university or the state, or jointly. There are varying degrees to which these members are involved in the university's governance, from full strategic involvement to mere advisory capacity. Governance structures are still very strongly shaped by national legislation. In the majority of cases (29) the framework of decision making bodies is stipulated in the law, with variations nationally regarding selection of and overall number of board members.
- **University leadership:** Regulations about the University leadership are generally strongly shaped by national legislation. For example, the university leader's (rector, vice chancellor) term of office is determined by law in two thirds (24) of countries surveyed. In the same number of countries the rector's required qualifications are defined by the law and not by the university. A significant number of "traditional" models exist where the rector is an academic "primus inter pares" and is selected by the internal academic community amongst the professors of the university in question. On the other hand, the shift towards Chief Executive Officer (CEO)-type rectors in certain western European countries appears to go hand in hand with a greater autonomy in management and structure design.

2. Financial autonomy.

- Although universities in more than two-thirds of the surveyed countries can keep a surplus on state funding, there are nevertheless some restrictions at operational level, ranging from limits to the overall amount to approval procedures.
- In only about half of the countries surveyed do universities have the right to own their buildings, which is an important asset in being an independent financial actor. However, that does not necessarily mean that they are free to sell their real estate without supervision/authorisation of the ministry. The majority of countries (22) enable universities to borrow money, however, the law particularly in northern Europe often sets many restraining limits regarding overall amounts/ and prior authorisation from the relevant Ministry. Less than one third of countries surveyed allow universities to invest in stocks and shares (11).
- The majority (25 countries) of universities in Europe can collect 'tuition fees or administrative fees' from part or all home and EU student population. However, there is a huge diversity in fee levels (These can range from as little as 100 Euros to several thousand Euros) Of these 25 countries, only 10 are completely free to set fee levels (including Poland, Romania, Hungary, Latvia) ; 9 countries (including France, Spain, Switzerland, Netherlands) have fixed fees set by government. In the remaining six countries there are different types of 'cooperative models' where governments and universities jointly decide. In 9 countries there are no tuition fees/admin fees at all.

3. Staffing autonomy.

- In some countries, universities are gaining a greater flexibility in their human resources management; staff is increasingly directly paid and/or employed by the university rather than by the government. The ability of universities to define individual salaries is still, however, controlled to a large degree by the public authorities.
- **Overall salary costs** are managed by universities in 25 systems, by the state in 5 and partially by the state in three. **Individual salary costs:** In eight systems universities do not have the authority to decide on individual salary levels of their staff, as they are fixed by the public authorities. In the majority of countries (20), universities are able to partly determine individual salaries. (Limitations may mean that universities are only authorised to set the salaries of certain staff, but not of all staff members. e.g. universities in Austria, France, Germany, Italy, Portugal and Spain may freely decide on the salaries of contracted staff or newly employed staff, who do not have civil servant status).
- **Staff recruitment.** In only 12 countries/systems, are universities completely free to recruit all their own staff (primarily countries in north-western Europe). In another 16 countries, universities are free to implement individual staff recruitment practices, but they need to abide by national regulations with regard to the qualification requirements and recruitment procedures for certain or all categories of staff.

4. Academic autonomy.

- While universities across Europe are largely responsible for defining their own institutional strategy, it is quite common for them to face diverse restrictions, which range from compliance with the Ministry's strategy, detailed development plans, or, for instance, limitations in terms of language policy (In Finland, for example, universities are designated as Finnish-speaking, Swedish-speaking or bilingual by law).
- Universities (in 29 countries/systems) are essentially free to develop their own academic profiles (they are of course subject to different forms of accreditation, licensing or negotiation procedures, according to their national legislation as well as in certain cases to European level requirements, as, for example is the case for programmes leading to professional qualifications, with which compliance is mandatory). In five countries (Denmark, Finland, Germany, Ireland and Spain) institutions' educational responsibilities are stipulated in the national law, determined by the relevant ministry, or negotiated between the Ministry and the university. While the design of curricula is generally decided by universities themselves, the introduction of new programmes usually often requires some form of approval by the relevant Ministry or by another public authority and is often tied to budget negotiations.
- Student selection is strongly regulated, whether by setting frameworks for admissions, or by limiting student intake in specific disciplines. Cooperative models, in which student selection is co-regulated by the universities and the state, exist in 14 systems. More countries resort to imposing direct limitations (e.g. setting student quotas) instead of indirect steering by incentives.