

New Perspectives for Learning - Briefing Paper 6

Government Policy on Higher Education Institutions'

Economic Role

Context of the Research

The transformation of national higher education systems is on the political agenda in every country in Europe. The higher education (HE) sector is being urged to 'modernise', 'adapt', 'diversify', 'marketise', and is expected to become 'entrepreneurial', 'competitive', more 'efficient' and more 'effective', more 'service oriented', and more 'societally relevant'. It also has to improve the 'quality of its processes and products', its 'relationship with the labour-market', and the 'governance and management' of its institutions, the universities and colleges. It is generally acknowledged that this transformation can only be successful if the traditional steering relationship between state authorities and higher education institutions is changed dramatically.

During the last quarter of the 20th century the central steering role of the European nation-states with respect to higher education, has become a serious issue of debate. This debate is part of a general 'reshuffling' of relationships between the state and the public sector. Arguably, higher education is one of the sectors where this 'reshuffling' has been most extreme and most successful.

In particular the socio-political demands and expectations with respect to higher education have grown - especially concerning its economic role - whilst at the same time in most countries the level of public funding of higher education is stagnating or decreasing. This has led to an imbalance between the demands many stakeholders make on higher education, expecting a rapid reaction, and the capacity of higher education institutions to respond adequately to these demands.

This study has focused on developments in national policies with respect to the economic role of higher education, and on changes in the balance between government steering strategies with respect to higher education and institutional autonomy in Europe. It has examined changes in the areas of undergraduate programmes, lifelong learning and governance structures in Austria, Belgium/Flanders, Finland, Italy, the Netherlands, Norway, Portugal, and the United Kingdom/England.

Key Conclusions

The following conclusions were reached at national and institutional levels: -

1. The economic crisis of the late 1970s, early 1980s led to a growing interest on the government side in the economic role of higher education.
2. A general move to a 'supermarket steering' model has been observed. The state is becoming less dominant in steering HE and the (quasi) market is becoming more influential. However, in none of the countries a "pure" market approach has been introduced. The current steering approaches with respect to higher education can be described as hybrid.
3. Whilst HE institutions appear to have increasing autonomy, governments, through regulation, appear to wish to ensure that this autonomy is used by institutions to achieve specific political expectations.
4. Recently innovations in national higher education policies have led to a partial 'de instrumentalisation' of higher education and a renewed interest in other, e.g. social, and cultural, roles of higher education.
5. Effective structures for monitoring the implementation of national higher education policies or programmes are rare.
6. Institutions are still learning what it means to be a public service enterprise and are still in the process of developing approaches and methods to manage their resources effectively.
7. Factors such as inherited staff and resources, common practice and values, subject mix, and management approaches have constrained institutions and profoundly affected their market position.
8. The impact of governments on academic programme development in first-degree education is rather limited.
9. Governmental attempts to influence university and college developments in the area of lifelong learning can in general be described as wishful thinking.
10. Especially in Continental Europe the traditional bilateral relationship between higher education and the state is rapidly becoming a multilateral relationship between higher education and various external actors, including the Ministry of Education.

Key Recommendations

The study made the following recommendations: -

1. In order for governments to ensure that policy processes are more effective they should acknowledge that the role of politics is to design, adapt, and monitor the 'framework' conditions within which HE operates.
2. Appropriate HE professionals should be deliberately involved in policy making.
3. Higher education institutions should be expected to operate autonomously in implementing policies and realising HE goals within the agreed framework.
4. Politics should not interfere in the detailed operation of HE institutions.
5. Governments should develop more effective monitoring structures for evaluating and analysing the ways in which higher education policies are handled in practice.
6. If politics wishes to influence the policy process i.e. policy development and policy implementation, it is important that individual politicians should become active in professional networks.
7. An independent, de-politicised European higher education policy monitor should be established to provide data for future research on HE.
8. Further comparative and longitudinal research on issues relating to change processes in HE is required.

Further Information

Full title of study - "Governmental Policies and Programmes for Strengthening the Relationship between Higher Education Institutions and the Economy" (September 2000)

[Full report](#), [Abstract](#), [Summary](#) [Partner details](#)

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