

**International Seminar on Higher Education:
The University of the 21st Century - Emerging Models of Independence**

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Plenary Session 3

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MODELS OF SELF-GOVERNANCE

All universities that are to function as intellectually autonomous institutions in accordance with the Magna Charta must have a certain degree of independence in relation to other institutions in society. How far this independence should extend will in each instance depend on tradition, local and national conditions and development in society. What is of interest in this context perhaps is identifying the freedoms which from the universities' point of view can be used to create stronger universities with the capacity to fulfil their missions even better. A freedom is more substantial when it leads to action. Freedom then allows the university to implement the strategic measures that carry education and research forwards in the global competition for knowledge.

We are not talking about one European model for an independent university but more about universities that are different and which have a more distinct profile. Not only different but also open and transparent, as indicated in the Bologna process.

For university managers this comes down to seeing the potential of the university, identifying obstacles along the path to progress and, in dialogue with the state, finding ways to eliminate those obstacles.

As a frame of reference, the following is a brief account of the Swedish higher education system and thus also Swedish legislation and traditions:

A basic feature is the fact that higher education institutions are virtually all state-run. In practice, all education is funded by the state, as is most of the publicly funded research conducted at the universities.

Ever since the major university reform in 1977 the university system has developed and the conditions for how a university operates have changed through a series of government and parliamentary decisions. The orientation has been clear: the universities have been given more powers and responsibility. They have become more independent. The whole system has expanded in terms of increased numbers of students and an increase in the number of regional universities. In recent years the universities' significance and role in promoting

growth and welfare has been emphasised more and more clearly. The budget system has been reformed, with a transfer from one-year budgets to three-year cycles, a transfer from detail control to an overall budget and a clear focus on objectives, results and performance. The universities have acquired the right to create professorships and employ professors and have far-reaching rights in the admission of students.

Even in this deregulated system, however, the state universities are still subject to certain restrictions through the Higher Education Act and the Higher Education Ordinance.

The Swedish state universities are legally part of the Swedish state, which is one single legal entity. They are thus authorities within the state. This means fixed and well-founded restrictions on the potential to act as an independent party in agreements with other legal entities and a remarkable situation when universities need to enter into agreements with each other. Nor are they allowed to independently set up new legal entities, they are not allowed to own real estate and they are subject to restrictions with regard to investment and financial management. The reform aimed at increased autonomy that took place in Sweden in 1994 led to two universities, of which Chalmers University of Technology is one, transferring from being state universities to being owned by foundations. They are still part of the Swedish university system but they are not part of the legal entity 'the state'.

We can also find very interesting examples of foundation universities in Lower Saxony as a result of transformations in recent years. Transformations also have taken place in other European countries, such as Denmark.

We can assume that in all cases the changes have common features and common reasons, namely to test new ways of developing the HE sector. The number of new foundation universities is still limited. This indicates that so far they have been introduced as something that is *per se* different in relation to the basic model for the country in question. Autonomy, pluralism, differentiation and friendly competition have been quoted as reasons for the changes.

Legislation and national conditions in general differ between the European countries. Generally, the "Foundation" is a self-owning organisation that has come into existence by a founder deciding to set up the foundation through a foundation charter, in which the framework for the foundation is laid down. This is then realised through the contribution of foundation capital. When the foundation has been established it is fully competent legally and it is a legal entity. The construction assumes that there is a body that is entirely responsible for the foundation's affairs, a board, the name of which can vary from one country to another.

What has happened in the setting up of foundation universities in recent years is that it is the state as a founder that has taken the initiative to set up these universities, which are formally independent. They are at the same time part of the national family of universities. In terms of responsibility they are delimited from the state but should not to be regarded as displaced. Seen from the universities' point of view this can be described as a situation where they have an unchanged mission in accordance with the Magna Charta. They are part of the national university system but they have the scope to employ strategies that are different from what would be possible or desirable within the framework of a completely state-owned university.

Depending on national solutions, a foundation can be "private" or "public" but because of what has been said about belonging to the national family it is not right to regard the changes that have been made as "privatisation". What happens is that the university moves from being an integral part of the state to being closely linked to the state.

The freedom of a foundation university is of course not absolute but relative. The balance in this respect will always be a reflection of the limits set by the state. This is an obvious consequence of the sovereignty of the democratically elected institutions. What forms the framework for the state-owned university are general laws as well as special legislation passed by parliament. Also of major significance are the objectives, performance requirements and demands which the university must meet to secure state financing, thus explaining the content of the different agreements entered into between the universities and the state. No foundation university can survive purely on the yield from the foundation capital.

Self-governance creates conditions that determine, in terms of responsibility, the university's scope to make decisions to expand in a responsible way. It is about the freedom to create potential to formulate strong strategies and take decisive action.

Through greater self-governance a number of possibilities are created for the university to be a player, facilitating the focus on management by objectives instead of management by regulation.

If one reads the strategic plans for different universities throughout the world they would appear to be surprisingly similar and yet it is clear that universities succeed to differing degrees in their task. This can be seen in ranking lists, evaluations and the general attractiveness of universities. It appears that many universities have a clear perception of what is important to accomplish although there are fewer that achieve their objectives. The question is whether there are a number of factors that are common to strong and successful universities. This is almost certainly the case.

During one of the coming sessions, "Emerging Models of Institutional Autonomy", we will attempt more clearly, with the aid of case studies, to pick up on the following questions:

What new freedoms have the foundation universities and similar universities acquired with regard, for example, to their organisation, personnel structure, financing and potential to create growth and enter into partnership?

In what way do the cases indicate that models of greater self-governance could lead to better achievement of objectives for the universities?

What aspects could be important to encourage further dialogue between universities and states in order to promote the development of strong universities in a spirit of mutual respect and trust?

Summary

In recent years a number of state universities in Europe have been transformed from state universities to foundation universities.

Although these universities are characterised by a greater degree of independence they should not be regarded as privatised. They are still part of the national university systems.

The values for the foundation universities remain unchanged, as stated in the universities' Magna Charta.

It is assumed that the organisational form for foundation universities will create new potential for them to work assertively and innovatively within a number of strategic areas in order to bring about renewal and development.

During one of the parallel sessions we will present and discuss a number of cases that highlight different ways of creating more self-governing universities. The questions here are: What differentiates them from state universities and what differences and similarities emerge when we compare them? In which areas can they work with stronger strategies? The aim is to examine a number of cases from a number of countries. An overriding matter for discussion will be how increased self-governance can reinforce the universities' role in society and how the relationship between the university and state can be developed in a spirit of mutual respect and confidence.

