



United Nations
Educational, Scientific and
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International Institute
for Educational Planning

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The publication costs of this study have been covered through a grant-in-aid offered by UNESCO and by voluntary contributions made by several Member States of UNESCO, a list of which will be found at the end of the volume.

A version of this paper, entitled *Governance reforms in higher education: A study of institutional autonomy in Asian countries*, was presented at the Policy Forum on the 'Design and Management of Higher Education Systems: The role of steering policies and governance reforms in the management of higher education', Jakarta, Indonesia, 23–24 May 2011.

Published by:
International Institute for Educational Planning (IIEP)
7-9 rue Eugène Delacroix, 75116 Paris, France
info@iiep.unesco.org
www.iiep.unesco.org

Cover design: IIEP
Typesetting: IIEP
Printed in IIEP's printshop
iiep/web/doc/2013/05

2013



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Abstract

Higher education has traditionally been provided through public institutions with management of the sector closely following the pattern of public sector management. When public sector management came under attack so did management of higher education. The concept of 'new public management', however, has influenced a shift from reliance on the state for funding and control towards market processes. Consequently, there has been a visible shift in higher education in many countries from a state control model to a state supervision model. With the proliferation of providers, especially non-state providers, it became necessary for the state to provide an operational framework rather than exert direct control on institutions. This paper is based on a research study which examined the effect of reforms in steering policies and governance structures and their impact on the management and managerial effectiveness of higher education both at the national and institutional levels. The case studies were carried out in Cambodia, China, Indonesia, Japan, and Viet Nam. A common trend in reforms in all these countries was the granting of autonomy to the institutions that formed the focus of the study.

The comparative analysis clearly shows that autonomy is a relative notion. The translation of autonomy from an abstract concept to operational practice depends on the institutional leaders. Institutions with strong leaders benefit more from autonomy than those with weaker leaders. It seems that university autonomy is more centred on procedural matters in the less developed countries and is centred more on substantive and procedural matters in countries such as Japan, which are more advanced. The move towards autonomy is constrained by financial uncertainties in many less developed countries. In some of the countries, the ruling political parties exert considerable influence (and have a strong presence) in universities, and it appears that party control is a salient element of university governance. The autonomy reform in such situations implies that party control is shifted from the ministry to the institutional level. The studies in general support the idea that institutions have become more independent in their operations, with corresponding increases visible in administrative efficiency, the capacity to mobilize resources, and the amount of resources mobilized by institutions. At the same time, it is difficult to draw conclusions as to whether or not increased autonomy has led to improvement in the quality of the services provided by the universities. Similarly, in many instances, institutional autonomy has resulted in the concentration of power at the level of top management in universities.

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List of abbreviations

ACC	Accreditation Committee of Cambodia
AGU	An Giang University
APEX	Accelerated Programme for Excellence
AUN	Asian University Network
BAN-PT	Indonesian National Accreditation Board for Higher Education
CCP	Communist Party of China
CEO	chief executive officer
CHEPS	Center for Higher Education Policy Studies
CIS	Commonwealth of Independent States
COE	Centres of Excellence
ECNU	East China National University
ENQA	European Network for Quality Assurance
ESG	European Standards and Guidelines
ESP	education strategic plan
GDETA	General Department for Educational Quality Assurance, Accreditation and Testing
GER	gross enrolment rate
GMR	Global Monitoring Report
GMUM	Gama Multi Usaha Mandiri
GNP	gross national product
GPA	grade point average
HDI	human development index
HEEC	Higher Education Evaluation Centre
HEI	higher education institution
HELTS	Higher Education Long Term Strategy
HERA	Higher Education Reform Agenda
IQA	internal quality assurance
ISCED	International Standard Classification of Education
M&E	monitoring and evaluation
MOE	Ministry of Education
MOET	Ministry of Education and Training
MUA	National University of Management
NCHER	National Commission for Higher Education and Research
NIAD-UE	National Institution for Academic Degrees and University Education
OECD	Organisation for Economic Co-operation and Development
PAI	Public Administrative Institutions
RUA	Royal University of Agriculture
UIS	UNESCO Institute for Statistics

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Introduction

Education contributes to development. Most countries invest millions of dollars, employ thousands of people (mainly as teachers), and engage thousands/millions of students in learning to augment the human capital stock of the country. By virtue of its position in the educational hierarchy, higher education contributes not only to economic, social, and cultural development, but also to the development of the education system in a country. It contributes to economic development through its capacity to generate and transmit knowledge, and to cultural development through the preservation of cultural values, national languages, and traditions. It contributes to the development of lower levels of education through its important role in teacher training, curriculum planning, textbook preparation, and so on.

Traditionally, higher education was identified with universities, which were initially considered to be scholar-centred institutions. However, the increasing demand for skilled labour for economic development during the industrialization period transformed many universities essentially into teaching and training institutions; thereafter, the establishment of research universities reoriented universities towards knowledge production. The emergence of knowledge economies further emphasized the value of knowledge in development and placed greater value on the production and absorption of knowledge, and hence on higher education (World Bank, 1999). Most countries now strive to expand their higher education system to foster faster growth and improve economic competitiveness.

The plan of this study is as follows. *Chapter 1* discusses issues relating to the expansion and diversification of higher education. This is followed by a discussion of higher education reforms in *Chapter 2* and an introduction to the research programme and its methodology in *Chapter 3*. *Chapter 4* examines certain characteristics of the countries selected for case studies and their reforms in higher education, and *Chapter 5* explores the governance reforms introduced in the selected countries. This is followed by an analysis of the effects of autonomy on various aspects of university management in *Chapter 6*. *Chapter 7* then analyses the perception of change in the governance and management of universities after they became autonomous. The final chapter draws some conclusions from the study.

1 The expansion and diversification of higher education

1.1 Expansion of the system

Higher education enrolment increased globally from 100 million in 2000 to 158.7 million in 2008 (UIS, 2010). The global gross enrolment rate (GER) in 2008 was 26 per cent (UIS, 2010). The variations in GER across regions are not only significant, but have also widened over a period of time. For example, the GER varies from 6 per cent in sub-Saharan Africa to 70 per cent in North America and Western Europe. The GER almost doubled between 1991 and 2008 in the Arab region (from 11 to 21 per cent), more than tripled in East Asia and the Pacific (from 7 to 26 per cent), increased from 6 per cent to 13 per cent in South and West Asia, and from 17 per cent to 38 per cent in Latin America. However, despite this growth at the international level, the GER in sub-Saharan Africa remained low with an increase of only 3 per cent to 6 per cent over the same period. The variation in GER among countries follows similar patterns, albeit more pronounced. For example, the GER varies from around 1 per cent in Tanzania, Niger, and so on, to 98 per cent in Korea, 94 per cent in Finland, 83 per cent in the United States, and so on.

According to Martin Trow, a GER of 5 per cent implies an elite system, 15 per cent a mass system, and 30 per cent universal higher education (Trow, 1974). As per his revised classification (Trow, 2005), a GER of 15 per cent now indicates elite education, 16 to 50 per cent mass education, and above 50 per cent universal higher education. On the basis of this classification, higher education is already universalized in many OECD countries, has massified in the majority of upper middle-income countries, and remained the province of the elite in the African countries.¹ The disparities are thus becoming more marked between developed and developing countries. While developed countries have already reached the stage of universalization of higher education (a GER of 50 per cent and above), a number of developing countries are still struggling to achieve the target of universalization of primary education – a net enrolment ratio of 100 per cent.

1.2 Diversification of the system

Expansion of the higher education system has not been linear. Instead, the system diversified while in the process of expansion. Diversification reflects a move from a unitary structure (universities) towards a system that is flexible and can accommodate the varying demand emerging from different groups and regions within a country. Diversification can be seen in terms of diversity in study programmes, in the student body or clientele, or diversity in ownership and control of provision (Teichler, 2008). Diversity can exist either within institutions or between institutions. Diversification thus comprises institutional diversification, programme diversification, diversification of clientele, sources of funding, ownership, among others.

1. Martin Trow (1974; 2005) established a distinction between three stages of the development of tertiary education, namely *elite*, *mass*, and *universal* access. He suggested that each stage corresponded to a specific function of tertiary education in society. Elite tertiary education, he argued, prepares students for roles in government and the learned professions, whereas mass tertiary education provides the leading strata of the technical and economic organizations, and universal access to tertiary education prepares large numbers of people for life in advanced societies.

There seems to be a positive association between system expansion and diversification. Systems that are diversified have expanded faster than those that are not. For example, both diversification and expansion of the higher education system are visible in OECD countries, in many countries of the Asia and Pacific region, and in the Latin American region. The situation in less developed countries is characterized by slow expansion and limited diversification of higher education.

It is reasonable to argue that the university system faced difficulties in accommodating the growing social demand for higher education; therefore, the forces of expansion compelled the system to diversify. In a sense these two forces – expansion and diversification – are mutually supportive and reinforcing (Varghese and Puttmann, 2011). The continual social demand for higher education has led to a diversified system of provision through private institutions, distance-learning institutions, and trans-border providers. With the emergence of a multiplicity of providers, higher education has started to expand even in the least developed countries of Africa (Mohamedbhai, 2008).

The non-university sector thus co-exists with universities in higher education. At present there are: (i) universities; (ii) colleges/non-university institutions; (iii) tertiary short-cycle institutions; and (iv) post-secondary non-tertiary institutions offering programmes of study and training. Many of these providers are private, and at times cross-border.

Expansion of the market economy redefined the issue of relevance in terms of the skills demanded in the labour market. In response, non-university sector institutions attempt to closely align their study programmes with market requirements. In the process, 'practically oriented programmes and fields of study, as well as pedagogical approaches stressing "real world" applications have seen an appreciable rise in popularity' (Altbach, Reisberg, and Rumbley, 2009: 103).

With the phenomenon of massification, higher education clientele are becoming increasingly diversified. In addition, students from middle-class backgrounds are surpassing those of elite origin. The share of mature students is also growing rapidly in many countries, especially in OECD countries. Another notable change is the growing number of overseas students in recent years: in 2008, nearly 3 million students were studying abroad. Sources of funding are also increasingly diversified. Higher education in many countries is financed more and more by households, and reliance on public funding has declined. The share of public funding to total higher education expenditure is also on the decline due to the proliferation of private higher education institutions.

2 Governance and management of a diversified system

2.1 Reforms in higher education: Global trends

Many reforms taking place in higher education reflect a focus on the increasing importance of knowledge; the role of the market in production; and the importance accorded to higher education institutions in training for the production, transmission, and use of knowledge (Varghese, 2011). An analysis of reforms in Europe indicates that most recent reform measures have been undertaken to improve international and global competitiveness (CHEPS, 2009), following an understanding that economic growth and global competitiveness are increasingly driven by knowledge. The effort to develop world class universities is another example of this trend (Salmi, 2009). The Bologna Process, the creation of a European Higher Education Area, the development of the European Standards and Guidelines for Quality Assurance in Higher Education (ESG), and the creation of ENQA are linked to the improvement in quality of higher education (Martin and Antony, 2007), as well as improved competitiveness.

Higher education reforms in many Asian countries are also aimed at enhancing capacity to produce knowledge to improve economic and market competitiveness. The Chinese reforms of Project 985 or Project 2011, the Centres of Excellence (COE 21) in Japan, Brain Korea 21 (BK 21), and the Accelerated Programme for Excellence (APEX) in Malaysia are notable examples of efforts to improve the quality and relevance of higher education. In India, discussion and debate has surrounded recent reform measures such as the establishment of a National Commission for Higher Education and Research (NCHER), the setting up of a national accreditation agency, and the admittance of foreign educational institutions (Sunder, 2010; Tilak, 2010).

Reforms in higher education in the Commonwealth of Independent States (CIS) were intended to reposition and facilitate the transition from a centrally planned to a market economy. Political changes in the region in the 1990s marked an end to centralized planning, a marked reduction in public funding, rapidly declining academic standards, and high levels of unemployment among university graduates. Curricular reforms were introduced to reflect changing market orientation, and courses on economics, accounting, financial analysis, marketing, business administration, law, information systems, international relations, and psychology, among others, mounted in cost.

All these reforms indicate a clear shift in provision and management of higher education from the state to the market. Traditionally, higher education was provided through public institutions, and management of the sector closely followed the pattern of public sector management. In recent times, public sector management has come under attack for its inefficiency and ineffectiveness. With regard to the governance and management of higher education, recent reforms have been influenced by the concept of 'new public management'. This implies a reduced reliance on the state for funding and control and a shift towards market processes. However, the state continues to play a role in terms of providing a framework for other non-state actors to intervene – steering from a distance.

In most parts of the world, growth and expansion of higher education has traditionally been associated with university education, supported by the state. This model of higher education development began to exhibit signs of weakness, primarily as a result of two factors: (a) the increase in social demand for higher education; and (b) the lack of state capacity to expand the system to satisfy this increasing social demand. Alternative options in the provision of higher education were explored, such as changing the mode of delivery or the nature of providers (Davies, 1997). The former led to the promotion of open learning systems including open universities and virtual institutions (D'Antoni, 2006), the encouragement of non-state actors such as private-sector (Varghese, 2006), cross-border providers (Martin, 2007), and increased cross-border student mobility to pursue higher education.

Many governments transferred part of their authority and responsibility to institutions of higher education in the form of increased institutional autonomy. The belief that the traditional governance arrangement was not sufficient to 'steer' individuals and collective human actors to specific social objectives led to reforms in the governance structure in higher education (Maassen, 2003). At the heart of these reforms was a redefinition of the relationship between the state and institutions of higher education. The initial reform efforts provided four models of governance, namely the market model, the participatory state model, the flexible government model, and the deregulated government model (Peters, 2001). In many countries, changes in higher education have taken the form of a visible shift from the state control model to the state supervision model (OECD, 2003; van Vught, 1994). This is widely in line with the ideas supported under the new public management approach.

During the period of full state funding, public universities enjoyed a monopoly in higher education and focused on their core teaching and research activities. The advent of market processes, however, encouraged institutions to undertake activities which, according to the traditional view, constitute non-core activities of educational institutions. The cumulative effect of market-friendly reforms in higher education over a period of time led to the shrinking of core activities and the expansion of more peripheral activities in higher education, a shift reflected in their programmes and study courses (Clark, 1998). In addition, the proliferation of providers and the diversification of institutions and programmes, which admittedly helped to reduce state support to higher education in relative terms, posed significant challenges to management of the system.

The variation in quality of provision and services combined with fraudulent practices (Hallak and Poisson, 2007; Martin, 2008) necessitated public intervention to regulate activities in higher education. Furthermore, the emergence of a multiplicity of providers (e.g. private, transnational, open learning, etc.) called for close examination of these providers to determine the conditions of their services, and the quality of their provisions and products. This involved the development of criteria for issuing licenses and diplomas, setting standards for operation, monitoring performance, and assuring quality.

Recent IIEP research (Varghese, 2009) has established that, over a period of time, these reforms have resulted in substantial changes in the way activities are organized and managed in institutions of higher education. Governance structures and management practices, both at the system and institution levels, have been modified in response to these changes introduced

at the national level. Both have had a wide effect on the relative distribution of responsibilities for the management of higher education systems.

2.2 The need for reforming regulatory framework to manage higher education

As discussed in this study, most of the reforms indicate a move away from the government facilitating multiple providers to operate and compete in the provision of higher education. All these providers currently grant degrees either directly or through their parent bodies. Consequently, the nature of educational provision in these institutions, established under different management, and the quality of education they impart may vary. Under this system, the management of higher education lies beyond the confines of a single ministry of education.

Many countries have formed separate ministries of higher education, established national quality assurance agencies and quality monitoring mechanisms, established buffer institutions, such as National Commissions for Higher Education, and so on, to mediate effectively between the ministry and institutions of higher education. Furthermore, membership of decision-making bodies at national and institutional levels has been open to people from the corporate sector, industry, and other stakeholders. At times, donor agencies are represented on the decision-making bodies. The decision-making process has thus become more inclusive, and the implementation of decisions occurs through incentives and persuasion rather than mandates. The new situation has required mechanisms to regulate the whole system, to steer institutions in the same direction, and to ensure quality by external agencies. In many countries, this has led some to question the capacity of ministries of education or parastatals to directly intervene in or undertake day-to-day management of higher education.

The most common model in many countries, and especially in the Commonwealth, has been that where the Ministry of Education (MOE) delegates all matters pertaining to funding and operational management to a buffer body and retains central control of national strategy and the overall shape of the higher education system (Fielden, 2008). Strategic planning at the federal level has become important to the development of strategies for the national system and institutional management. But at the same time, a need was felt to ensure that the contents of higher education are nationally relevant and the outcomes are of comparable quality (Fielden, 2008). Resource allocation mechanisms became performance-related to link resources with national policy objectives and expected institutional results. Meanwhile, the introduction of quality assurance mechanisms has become a counterpart to increased institutional autonomy.

One of the important challenges facing public authorities is that public institutions are moving towards increased autonomy, and a major share of the decision-making takes place at the institutional level. Private institutions do not fall under its supervision and there exist few mechanisms to align them with major national concerns in higher education. However, the higher education system in any country needs a direction for change and development. This is ensured through the preparation of strategic plans at the national level and the formulation of regulatory policies to comply with national policies while institutions of higher education operate autonomously.

3 The present research programme

3.1 Research questions and study objectives

From 1990 onwards, IIEP oriented its research in higher education towards the management of higher education institutions (Sanyal, 1995). In this millennium it has focused on issues related to university-industry linkages (Martin, 2000), national reforms and institutional restructuring in public universities (Varghese, 2009), private higher education (Varghese, 2006), and quality assurance (Martin, 2008). IIEP's research has shown that public universities have, in general, increased their autonomy in planning activities, mobilizing resources, and introducing reforms. Similarly, private universities have become a strong force to be reckoned with. Resources mobilized from the non-state sector supplement public resources and often provide continuity and stability to institutional activities.

This study builds on earlier IIEP research on the change in governance at the national level and its impact on the management of higher education institutions. The emphasis, however, is on the success of governance reform as a means to enhance the overall effectiveness of a higher education system. While the study focuses on the national level, a system's effectiveness cannot be assessed without analysis of the impact of national policy implementation at the institutional level, since higher education institutions are the main actors of policy implementation.

Discussions of the national research themes highlighted the key importance in recent reform measures of the enhanced autonomy granted to institutions of higher education. Therefore, the research programme focuses on the issue of autonomy and its effects on university governance and management.

Research questions

Research questions included:

- What measures to reform the governance of higher education have been instituted in the recent past?
- What are the effects of autonomy on institutional governance and management?
- How far did the move towards autonomy improve the governance and management of higher education at the national and institutional levels?

Study objectives

The research examines the effect of reforms on steering policies and governance structures and their impact on the management and managerial effectiveness of higher education both at the national and institutional levels. The specific objectives of the study are:

- to study the evolution of reforms and new governance structures at the system level;
- to analyse the effects of autonomy in the management of higher education institutions;
- to examine the implications of autonomy for institutional-level performance.

3.2 Autonomy defined

The concepts of university autonomy and academic freedom are different but related. Academic freedom applies to individual academics, while autonomy applies to the university as an institution. Autonomy implies the freedom and authority enjoyed by universities and institutions of higher education to play their role and contribute to societal development within the framework provided by the public authorities. Therefore, university autonomy needs to be addressed within the context of the perceived and agreed upon role of the university in society. Institutional autonomy can be justified if it is a necessary condition to enable universities to play the role assigned to them through their role in teaching, research, and other services rendered to society. University autonomy from this point of view may be defined as the freedom of an institution to run its own affairs without direct control or influence by the government. Any influence exercised by the government may be based on legislative authority.

When the public sector dominated development and public universities enjoyed almost a monopoly in the provision of higher education, the issue of institutional autonomy was settled largely through national legislation. Given the role of higher education in national development, governments needed to specify higher education priorities in line with national priorities and establish the limits to institutional autonomy. The ideal situation would have been for government to set priorities and trust institutions to carry out the tasks without intervention. However, governments lacked sufficient confidence in the institutions to grant them this autonomy (Huisman, 2007).

Over a period of time, the role of the public sector in universities declined and governments progressively moved away from a state-mediated process towards a market process, redefining with it the role of the university. Many governments adopted a governance model of steering universities from a distance. In the past the main decision-maker had been the state; however, in the present context the stakeholders involved in decision-making are many – society at large, the government (federal or provincial), the employers, the university staff, and the students. The sometimes conflicting views of these diverse stakeholders can complicate university autonomy. Furthermore, the decline of direct governmental financing and control has been accompanied by an increasing demand for accountability measures. In other words, the multiple spheres associated with institutional autonomy come with many strings attached. It is a challenge for any institution to serve several masters simultaneously.

Universities in many countries have traditionally enjoyed freedom and autonomy in academic matters. However, institutional autonomy was more limited in other areas of activity, especially those relating to financial issues. The recent trend is to extend the idea of autonomy to all spheres of university activities. According to Robert Berdahl (1971) university autonomy can be substantive or procedural. *Substantive* autonomy gives institutions the authority to take decisions and operate with authority on their own goals and programmes matters under their purview. The authority to link decision-making to action is expected to improve operational efficiency. *Procedural* autonomy implies freedom on administrative aspects without the real authority to take decisions, but greater authority to implement them.

Institutional autonomy implies appointive authority, especially in cases where the staff are not civil servants; financial autonomy has been granted in recent reforms primarily due to the inability of the public sector to support an expanding higher education sector. Another factor is

the administrative authority, which plays an important role in facilitating faster implementation of decisions.

This present study examines the issue of institutional autonomy in the following spheres of activities of a university, regarding:

- governance and management of the institutions of higher education;
- academic matters – curriculum and teaching methods, examinations, research, and publications, etc.;
- issues related to the appointment and promotions of academic and administrative staff;
- student admissions;
- matters pertaining to administration and financing.

3.3 Methodology

The study follows a descriptive research design and a comparative approach. Like any study relying on comparative research methodology, it tries to analyse the similarities and differences of governance reforms and steering policies across countries belonging to varying developmental contexts within the Asian context. The study relies on secondary sources of data and descriptive statistics to analyse the provision and progress of higher education issues related to access to higher education. It also relies on primary sources of data from the institutions. These data were collected through questionnaires and interviews from different segments of the university community.

The countries for the case studies or in-depth analysis were selected from sets of countries where major governance reforms have been introduced. However, to provide a comparative picture and to ascertain the possibilities of generalizing the findings, countries belonging to different development contexts were selected. Five countries from the Asian region form the basis of the in-depth analysis of governance reforms and its effects: Cambodia, China, Indonesia, Japan, and Viet Nam. These countries vary in terms of levels of economic and educational development and together provide a development continuum ranging from a low-income country (Cambodia) to a high-income industrialized country (Japan). The GER in higher education varies between 5 per cent in Cambodia and 58 per cent in Japan in 2007 (UIS, 2010). This was expected to provide a comparative perspective on the reforms and their implications in varying development contexts.

These countries also vary in terms of political systems and policy orientations. They include both planned and market economies, and centrally regulated and decentralized systems. In the higher education sector, this translates into varying levels of privatization: well-developed private sectors are found in Indonesia and Japan, while a cautious opening of the private sector is now noticeable in Cambodia, China, and Viet Nam. The above-mentioned areas are generic. Each individual country case study, however, investigates how national governance reforms have affected governance at the national and institutional levels. The institutions for the case study are identified based on size, age, and implementation of reforms in the governance structure.

Information from primary sources were collected through semi-structured interviews with national decision-makers; decision makers at the institutional level, such as the chairperson of

the governing board of the university; top-level management teams at the universities (rectors and vice-rectors); heads of administration (registrar or bursar); deans of selected faculties (four to five deans); and heads of selected departments (seven to eight heads of departments).

Questionnaire-based information was collected from academic staff members (some 100 persons selected on sample by academic discipline and level of seniority) and administrative staff (some 50 persons selected on the basis of sample by administrative department and level of seniority).

4 Some characteristics of the countries studied

4.1 Socio-economic and educational characteristics

As discussed in the previous chapter, the study aimed to provide an international comparative perspective, therefore countries were chosen which varied in terms of levels of economic and educational development. The countries selected for detailed study and analysis were Cambodia, China, Indonesia, Japan, and Viet Nam.² These countries indeed form a diverse group in terms of political ideologies, and economic and social development, as well as characteristics of their higher education sector.

The variations in population size are also widest among these countries. China is the most populous country with a population of 1.3 billion inhabitants, followed by Indonesia (222 million), Japan (127 million), Viet Nam (87 million), and Cambodia with a population of 15 million (*Table 1*).

Table 1. General and social indicators relating to case study countries in 2008

Country/indicator	Total population (in millions)	GNP per capita (\$)	Adult literacy rate in 2005–2008	NER primary (%)	NER secondary (%)	School life expectancy (in years)	Human development index ranking 2010
Cambodia	14.6	600	78.0	83.0	23.0	9.8	124
China	1 337.4	2 940	94.0	–	62.0	11.4	89
Indonesia	222.3	2 010	–	98.0	60.0	12.7	108
Japan	127.3	38 210	92.0	100.0	100.0	15.1	11
Viet Nam	87.1	890	93.0	96.0	–	–	113

Source: UNESCO, 2011.

Among the selected countries, Japan and Indonesia operate under a market economy framework in their economic and educational sectors. Cambodia, China, and Viet Nam, on the other hand, have operated under a planned economy framework. In the past three decades starting from the 1980s, these economies underwent substantial changes in terms of their political orientation and economic policies. They moved from a planned economy to a socialist market economy, as the current system is called in China.

Per capita income varies among these countries from \$600 in Cambodia to \$38,210 in Japan (*Table 1*). The selected group of countries consists of two low-income countries, Cambodia and

2. Discussions in this paper, unless otherwise mentioned, are based on the case studies carried out in the authors' respective countries: Cambodia (Visalsok and Ngoy, 2011); China (Li and Yang, 2011); Indonesia (Nizam and Nurdin, 2011); Japan (Yamamoto and Futao, 2011); and Viet Nam (Thin and Phuong, 2011).

Viet Nam with \$890; two lower middle-income countries, China and Indonesia with per capita incomes of \$2,940 and \$2,010 respectively, and a high-income industrialized country, Japan.³ One point of convergence among all five countries is that all of their economies were growing for the period studied and growth rates in the less developed countries (except Japan) were within the range of 5 to 10 per cent. Similar variations are visible in terms of their placement on the Human Development Index⁴ (HDI): Japan ranks 11th, while Cambodia's position is 124th (Table 1).

The selected countries also reflect varying levels of educational development. There are more convergences among the countries in terms of educational attainment at the lower levels of education, and the variations become more pronounced at successive higher levels of education. For example, the adult literacy rates (those who are 15 years and older) are in the order of 90 per cent with the exception of Cambodia (78 per cent), and the gross enrolment ratio for primary education is higher than 100 per cent everywhere. School life expectancy⁵ is also high among the countries – ranging from 9.8 years in Cambodia to 15.1 years in Japan. The variation in enrolment at the higher education level is between a GER of 7 per cent in Cambodia to 58 per cent in Japan.

The higher education sectors of the five countries also reflect a number of variations with regard to their main characteristics. Overall student enrolments, the dynamism in the growth of enrolments, and the share of private enrolments are used hereafter to compare the higher education sectors, together with key characteristics of the present governance system (Table 2).

Table 2. Main indicators on higher education in the five case study countries in 2008

Country/indicator	Total enrolment 2008 (in thousands)	GER 1999 (%)	GER 2008 (%)	Share of private enrolments ISCED 5A and 6 in 2008 (%)
Cambodia	123.0	2.0	7.0	58.0a
China	26,692.0	7.0	23.0	20.0
Indonesia	4,420.0	16.0	21.0	74.0b
Japan	3,939.0	45.0	58.0	79.0c
Viet Nam	1,655.0	11.0	10.0*	11.0d
World	158,713.0	18.0	26.0	–

Notes: * 2004

Sources: UIS (2010) and case study data; (a) calculated from data provided by Visalsok and Ngoy (2011); (b) 2010 data (Nizam and Nurdin, 2011); (c) 2009 data, calculated from Yamamoto and Futao (2011), Table 1.1, not taking into account specialized training colleges; (d) Thinh and Phuong (2011).

When comparing the gross enrolment ratios (GER) in the higher education sector, the selected countries cover situations varying from the elite access stage to higher education to mass and universal stages, according to the classification developed by Martin Trow

3. World Bank Classification is available at: <http://data.worldbank.org/about/country-classifications>.

4. The Human Development Index is a composite indicator consisting of four indicators: life expectancy at birth, mean years of schooling, expected years of schooling, and gross national income per capita.

5. Expected number of years of formal schooling (from primary to tertiary education).

(see *Section 1.1*). In relation to the five case study countries, both Cambodia and Viet Nam still have a system of elite access with 7 per cent of GER for Cambodia and 10 per cent (2004 figure) for Viet Nam respectively. China and Indonesia have clearly moved into the mass stage of access with 23 per cent and 21 per cent respectively. Japan has entered the universal stage with a 58 per cent GER (UIS, 2010).

Rapid expansion of the higher education sector is a basic feature of all the five countries studied. While expansion of enrolments in Japan already took place from the mid-1960s onwards, it is a more recent occurrence in the other four countries, and has been accelerating particularly in China where the GER gained 16 per cent in only nine years. The GER in Indonesia increased from 16.0 per cent in 2004 to 21.0 per cent in 2007. The country report from Indonesia shows that the GER further increased to 26.0 per cent in 2010. In Japan the gain has also been considerable with 13 percentage points, but it is due, in part at least, to a declining demographic base. In the country report from Viet Nam an increase in student numbers from 133,000 in 1987 to 1.7 million in 2009 is mentioned. Expansion in the case study countries will continue for some time since both China and Viet Nam aim for a national GER of 40 per cent and 45 per cent by 2020, respectively, in their recent higher education plans.

Divergent political ideologies in the five countries also translate into different traditions and policies regarding the development of a private higher education sector. While Indonesia and Japan have traditionally facilitated the development of a private higher education sector, this phenomenon is relatively new in Cambodia, China, and Viet Nam. Here the creation and development of private higher education institutions (HEIs) is a more recent phenomenon, but has been strongly supported by the respective governments to widen access. In addition, public universities in these countries have introduced cost-recovery measures or schemes for fee-paying students as a measure to increase private income, and often supplement staff salaries.

All five countries have recently opened up to cross-border providers, such as foreign branch campuses in Viet Nam, or otherwise franchise higher education such as in China, as either a market response or a proactive policy measure.

In 2010, there were 91 HEIs in Cambodia, 34 public and 57 private (Visalsok and Ngoy, 2011). In Viet Nam today, it is estimated that a fifth of all enrolments are in the private sector (Thin and Phuong, 2011). This is similar to China where students in private higher education institutions today constitute almost 20 per cent of enrolments (Li and Yang, 2011). In Indonesia, there were 83 public and 3 019 private higher education institutions in 2010.

4.2 Reforms in higher education in the selected countries

Over the past two decades, the higher education sector in all five case study countries has undergone considerable reforms. Despite major differences in the political systems, economic policies, and traditions of the higher education systems, there are common elements in their higher education reforms. These relate to the expansion of systems, privatization and marketization, revising curricula and content, and more recently enhancing research capacity in a select number of HEIs (under excellence initiatives), as well as establishing stronger links with business and industry, nationally and at local levels.

Before 1978, planning for higher education in China formed part of the planned economic framework and was strictly based on human resource requirements in the production sectors of the economy. Later, decentralization in finance and management became a recurrent reform theme in Chinese higher education. However, the Chinese higher education reform was aimed at positioning the sector in line with economic reform measures oriented towards a market economy. In 1993, the *Programme for education reform and development in China* was issued, and the central government refrained from direct control of education and stated that the new role of the government was to act as a facilitator. The same reform introduced a policy of cost-sharing through the introduction of student fees and, from 1997 onwards, privately sponsored students could enrol in Chinese higher education institutions. More recently, competitive funding has been provided under programmes to Chinese HEIs to upgrade their research infrastructure with a view to stimulating research capacity.

In Viet Nam, since 1987, when the *doi moi* reform process began, the country has been restructuring to provide for much greater student enrolment and student diversity, including new curricula and teaching methods, and an increased role for university research. In the late 1990s, Viet Nam introduced a common entrance examination for all admissions to higher education. New curriculum frames were prepared and training programmes standardized. In 2005, Resolution 14, also called the Higher Education Reform Agenda (HERA), was adopted to provide for a reform vision containing 32 policy measures to be achieved by 2020. The same reform programme also aims to develop an advanced research culture, a better internationally integrated system, and the introduction of tuition fees to generate more funding for the system. Fourteen national universities, out of the more than 200 institutions in the sector, have also been designated as 'key universities', and are considered as active research universities in the system.

Higher education reform in Cambodia after 1979 was marked by efforts to first revive and later rebuild the higher education sector after the fall of the Khmer Rouge regime. These reform efforts received external support from the *Eastern Block* with a focus on filling teaching positions. When foreign staff left in the 1990s, there was a scarcity of qualified staff to teach in universities. This led to the appointment of less qualified lecturers in teaching positions. One of the important reform measures during this period, which was made official in 1999, was the opening up of the sector to private providers to widen access to higher education. Public higher education started a dual admission policy of admitting fee-paying and government-sponsored students in 2000. The *Accreditation Council of Cambodia* was created in 2003 with a view to regulating the quality of higher education providers, and started the accreditation of the newly created institutions in most existing higher education institutions.

In Japan, reforms in public higher education accelerated from the 1990s in their effort to reposition higher education to meet the changing requirements of the knowledge economy. The Japanese higher education system introduced a system of self-evaluation in 1994 and an external evaluation system in 1998, leading to the creation of the national evaluation agency, NIAD-UE, in 2004. Since then, a new national accreditation system obliges all higher education institutions of Japan to undergo accreditation of an authorized agency under the NIAD-UE. As part of the same reform process, a competitive funding mechanism was introduced. Selected universities were given the opportunity, again on a competitive basis, to establish graduate research centres and the MOE encouraged universities to expand and deepen their ties with

industry. Expectations of a declining demographic basis of future students are exerting pressure on HEIs to be competitive in the market place.

Higher education reforms in Indonesia were introduced in 1994 to improve quality, enhance autonomy and accountability, and to facilitate accreditation and evaluation (Nizam, 2006: 39). At the national level, a buffer organization, the *Board of Higher Education* with three Councils for Education, Research and Development, was created in addition to the *Directorate General of Higher Education* in the Ministry. In order to provide guidance to the many newly established higher education providers, a majority of which are private, the *Board of Higher Education* established national curriculum standards for higher education, which were later abandoned in favour of curricular autonomy given to HEIs with the expectation that this would lead to a curriculum adapted to local needs. With financial support from the World Bank, a competitive funding scheme, first for research and then for academic programme development, was introduced during the 1990s (in 1995, the University Research for Graduate Education project; in 1996, the Development of Undergraduate Education project; and in 1998, the quality for Undergraduate Education project). The government later decided to allocate its funding to universities also on a competitive basis with funding targeted to meet certain objectives.

5 Study of governance reforms in the case study countries

This research project is concerned with both the nature of governance reforms and their effect on higher education institutions, in particular with regard to their management. This chapter therefore provides an account of the prevailing situation in governance in the five countries prior to the reform. A detailed presentation of the reform measures is made before discussing the rationale or, in other words, the stated intentions of the reform. The chapter also analyses how increased autonomy was accompanied in the case study countries by accountability measures, which generally form part of the governance reform package.

5.1 Governance and management of higher education in the selected countries

As in all countries, governance of higher education is the shared responsibility of public authorities (legislature, ministry or decentralized authorities) and higher education institutions. It is the case, however, that the ministry and/or decentralized public authority are comparatively strong players in all five higher education systems. Several line ministries (horizontally shared governance) are involved in the governance and management of higher education. For example, in countries such as Cambodia and Viet Nam, and to a lesser extent in Indonesia, the overall governance of the higher education sector is shared among several line ministries. In Cambodia and Viet Nam, this fact is due to the formerly strong influence of the centrally planned systems in the higher education sector, where planning for higher education was based on human resource requirements, and several line ministries were responsible for the training and placement of human resources in their respective sectors.

However, vertically shared governance also plays a part in the case study countries. In China in 1998, under the higher education law, responsibility for higher education was placed either entirely under the central education ministry or under provincial authorities consequent to a major merger operation of the 1980s. In Cambodia and Indonesia, the national level, that is, the higher education department of the Ministry of Education or another line ministry, is the executive authority for higher education, whereas in China, Japan and Viet Nam, the responsibilities are shared between national and decentralized levels. In both countries, the national ministry of education is in charge of certain higher education institutions, while provincial authorities are responsible for others. In Viet Nam, the situation is further complicated by the fact that two national flagship universities (Hanoi University and Ho Chi Minh City University) are under the direct control of the Prime Minister's cabinet.

5.2 Governance systems prior to the reforms in the five case study countries

Prior to governance reform, all five case study countries stated that they were suffering from a high level of state interference in the day-to-day management of higher education institutions. The steering model prior to governance reform was, and in some cases still is, to a large extent, state controlled and represented a direct intervention in both administrative and academic governance (only in Japan was there already a high level of autonomy in the academic area prior to the reform). The power of the ministry of education (or the line ministry) over the higher

education system was, and in some cases remains, the general feature of governance in the higher education sector in the case study countries. In addition, a supplementary common feature of Cambodia, China, and Viet Nam is the strong involvement of the Communist Party in decision-making at both national and institutional levels.

In China, prior to the major governance reforms initiated in the early 1980s, the central Ministry for Education was responsible not only for guiding the system in terms of policy formulation and monitoring, but also for exercising administrative control, recruiting students, and assigning jobs to university graduates. This was the case for both administrative and academic decisions, the latter concerning the creation, alteration, and cancellation of study programmes, as well as changes to syllabi and textbooks. 'The relationship was one way and top down, with universities enjoying little autonomy. University operation was under the central government's direct control' (Li and Yang, 2011: 20).

Similar to China, in Viet Nam the Ministry of Education and Training (MOET) still retains far-reaching regulatory powers. It administers the national university entrance examination, allocates enrolment quotas and individual students to HEIs, and controls the maximum level of tuition fees and curriculum frameworks, but has line ministry responsibilities for only one-quarter of all public HEIs. For these institutions, it controls the appointment of rectors and manages all major decisions concerning income expenditures. According to a speech of the Prime Minister, on 6 March 2010, 'the main causes of the systematic weaknesses in higher education were from poor educational management' (Thinh and Phuong, 2011).

In Cambodia, the governance system in those higher education institutions that have not benefitted from the reform is reported to be centralized and complex. In particular,

although daily work of the HEI is managed by an appointed rector/president, important decisions, especially financial issues, need to be made by the parent/control ministry ... the parent ministry controls most institutions' budget. HEIs need to apply to its parent ministry and to the Ministry of Economy and Finance for budgetary requests. As a result, the institutions are unable, within the relevant fiscal year, to spend their governmental allocation (Visalsok and Ngoy, 2011: 14).

In Japan, lack of autonomy prior to the governance reform was more strongly felt in the administrative domain, since universities had already wide-reaching control over their academic offer, the syllabus, and enjoyed constitutionally enshrined academic freedom. From an administrative point of view, national universities were established as branch organizations under the ministry and were thus subject to strong ministerial control with regard to organizational and financial matters. Professors of national universities were government officials, protected even more than government officials by the *Special law for government teaching and research officials*.

In Indonesia, as well, the governance system for the higher education sector was said to be highly centralized with bureaucratic reliance on central authority. Since (non-autonomous) public universities form part of the public bureaucracy, there is no direct accountability to the public, only to the superior administrative layer. It is thought that lack of institutional autonomy in general entails poor relevance of the academic offer and a slow response to the needs of the local and national environment. Public higher education institutions are also operating under a uniform and rigid governance and budget structure (e.g. a fiscal year bound line item budget where HEIs have to surrender any generated revenue to government accounts before it can

be used by submitting a budget proposal). Staff of the HEIs are civil servants with nationally standardized salaries, and staff recruitment and career development having to be processed and approved nationally. The system left no room to implement merit and performance-based remuneration. In order to avoid the lengthy national accounting system, faculties and departments kept their own accounts outside the university financial management system. The cautious move to institutional autonomy was felt to be a necessary accompanying measure within the broader reform agenda (Nizam, 2006: 37) to enhance the quality and relevance of higher education, and the Higher Education Long Term Strategy (HELTS) 2003–2010.

5.3 Reform measures towards increased autonomy

These basic features of governance systems can be found at different points in time and implemented in a variety of ways, in line with the complexity of the autonomy concept itself, which has multiple underlying meanings and expressions (*Table 3*). The general trend of providing increased autonomy to higher education institutions in both the academic and administrative area can be found in all five countries cases; however, countries differ in their implementation schedules, regardless of whether increased autonomy forms part of a broader reform package for higher education or is given across the board to all HEIs or to some cautiously selected ones only; and, of course, also in the regulatory means used to enshrine autonomy (new HE law, regulations, party resolutions, etc.) through which autonomy is provided.

Table 3. Comparative picture of autonomy measures across

	China	Viet Nam	Cambodia	Japan	Indonesia
Change in legal status	University becomes independent legal entity	Not specified	New status of Public Administrative Institution	National University Corporation	Universities legal entities under civil law
More autonomy in selecting university leaders	No	No	No	Board of Directors with selection by Presidential Selection Committee with external experts	Rector selected by Board of Trustees
Increased power for governing bodies	Yes (President and management team)	Yes	Yes	Board of Directors with external representation	Board of Trustees with stakeholder presentation, Rector reports to the Board
More autonomy for organizational structure	Yes	Yes	Yes	Yes	Yes
Creation of new academic programmes	Yes	Yes	No	Autonomy already in place	Left to autonomous universities
Determination of research agenda	Yes	Not specified	Yes	Autonomy already in place	Left to autonomous universities

	China	Viet Nam	Cambodia	Japan	Indonesia
Academic staff become university personnel	Yes	Yes	No	Yes (before civil servants)	Yes
More autonomy in recruitment of academic staff	Yes	Yes	Not specified	Yes	Left to autonomous universities
More autonomy in performance measure & setting staff salaries	Yes	Yes	Yes	Yes	Left to autonomous universities
More autonomy in financial management	Block grant allocation, Incentives for income generation	Budget planning	Yes (in particular for funds generated from fee-paying students and other services)	Block grants, competitive funding for teaching and research	Intended in 2002 to move away from line item budget to block grants based on outputs (number of graduates); however, could not be implemented Expectation of income generation, universities allowed to set their own tuition fees
More autonomy in the management of buildings and premises	Yes	Not specified	Not specified	Not specified	Yes, but implemented in only one legal entity

Source: Based on the case studies of the respective countries.

It also needs to be acknowledged that the route to increased autonomy is often a long process, wherein a number of regulatory instruments build on each other in a cautious and stepwise manner. Such sequenced development of course provides increased opportunity for the higher education sector to adapt to new realities. For the five case studies, this means that the overall reform process towards institutional autonomy is at different stages of implementation, and that the process is, in some cases, far from finished. This of course poses a methodological problem when studying the effects on institutional management, since its effects are not immediately noticeable and often cannot be easily allocated to specific stages of the overall reform process.

In China, since the mid-1980s, governance reforms in general and university autonomy became a theme of policy-making of the CCP Central Committee. Under the 1993 *Outline for China's education reform and development*, autonomy in the area of financial management (a move from line items to block grants) was increased. The breakthrough for increased autonomy was reached under the 1998 *Higher Education Act*, which detailed the autonomy of HEIs in seven domains. HEIs became legal entities under the leadership of a university president (art. 30), who would become responsible for the formulation of institutional policies and long-term

development plans. HEIs were given the authority to propose enrolment plans (art. 32), act on their own academic offerings, readjust branches of learning and specialized subjects (art. 33), draw up their teaching programmes (art. 34), act on their own in conducting research (art. 35), act on their own in deciding on the internal structure of the departments, assess the performance of teachers, make appointments and readjust the payment of subsidies and salaries (art. 37), and manage and use the property provided by sponsors, the fiscal funds allocated by the state, and the contributions and donations received (art. 38). As a consequence, Chinese higher education institutions were provided with considerably more managerial and academic autonomy.

In comparison with China, both Cambodia and Viet Nam are at relatively earlier stages of governance reform in higher education. In Viet Nam, the 2005 *Higher Education Reform Agenda* (HERA) contains three measures which pertain to the introduction of increased autonomy for financial arrangement, human resource management, and curriculum adaptation (Resolution no. 14/2005/NQ-CP). A comprehensive reform is underway which in the long term will fundamentally alter the role of the state in the management of higher education. Line ministry control of public HEIs is to be replaced by 'legal autonomy in their operations, giving them the right to decide and be responsible for training, research, human resource management and budget planning' (Resolution no. 14/2005/NQ-CP). Line ministry control is to be replaced by a mechanism for state ownership represented within HEIs and 'community-based monitoring and evaluation'. And the role of line ministries will be to 'focus state management on the implementation of the development strategy, improve the legislative and regulatory environments, and enhance the role of the state in monitoring and inspecting the overall structure' (Resolution no. 14/2005/NQ-CP). In addition to HERA, in 2009 and 2010, resolutions and decisions pertaining to the issue of governance were adopted which place major authority for contracting, international relations, and human resource management in the hands of university rectors (Thin and Phuong, 2011: 30).

In Cambodia, the Royal Decree of 1997 created the possibility to transform selected higher education institutions into Public Administrative Institutions (PAI). The decree allows selected PAIs to operate under a governing board, which consists of representatives from different ministries, the rector/president, who is the permanent member, and a staff representative. In addition, representatives of stakeholders may be present. The governing board is responsible for planning and financial and human resource management, as well as the organizational structure of PAIs. Other HEIs still operate under line ministries to which they directly report and which are responsible for day-to-day management. Public administrative institutions are allowed to use the funding generated from fee-paying students and other services for staff incentives, teaching bonuses, and staff development measures. A PAI university can develop new educational programmes. However, the Cambodian Ministry of Education, Youth, and Sports, through its Department of Higher Education, still 'manages and monitors the educational services of autonomous institutions, including programme and curricular development, and conducts tests and selection for both scholarship- and fee-paying students' (Visalsok and Ngoy, 2011: 16). As of 2010, there were only eight public HEIs out of the existing 34 operating under PAI status.

Similarly, in 1999 under PP61, Indonesia introduced a pilot scheme whereby selected universities could become non-profit legal entities with their own governing board, to which the university reports, and make major administrative and academic decisions. The role of

government was to be shifted from regulating and controlling towards facilitating, empowering, enabling, and aligning the development of HEIs. The governance reform foresaw the provision of a block grant to universities, contrary to other HEIs which continue to receive a line item budget. It was also foreseen that all staff would become university employees instead of civil servants, as they were formerly. In 2009, the *Law on Education as a Legal Entity* was passed by the Parliament with the aim of generalizing this reform to the entire university sector. Following the new law, a government regulation (PP17) was published in January 2010 to establish the operational framework for the law. Concerning PP17, a decision was issued to extend the status of autonomous higher education institutions to all public universities by 2012, and all other HEIs by 2014. However, the new *Law on the Education Legal Entity* was revoked in April 2010 by the Constitutional Court. Following the revocation, the institutions lost their status as legal entities. As a transitional measure, the government issued regulation PP66/2010 to complement PP17/2010, so as to provide a provisional framework for these institutions to operate.

In Japan, in 2004, under the *corporatization policy*, universities became national university corporations with a new governance structure, increased autonomy over financial and human resource management, and decision-making power over the organizational structure of the HEIs. Under the corporatization policy, each university would submit its own six-year strategic plan for approval by the MOET, which would also undertake an evaluation after implementation. External administrators would be included on the governing board, and an executive management style (president and top executive management) team would replace the formerly collegial decision-making structure of Japanese national universities. In addition, the policy introduced greater competition for the allocation of public resources.

5.4 The rationale for governance reforms in the selected countries

The rationales for the introduction of the above-mentioned governance reforms are often not precisely stated in the five case studies. This is because governance reforms are not necessarily accompanied by an official statement of intent that goes beyond the general rhetoric of efficiency, effectiveness, and quality enhancement. The authors of the five cases have, however, attempted to analyse the prevailing situation of their HE systems prior to the reform, and to either state official rationales from the governance reform, where they exist, or otherwise issue assumptions on the expectations from the reform from their own analysis. One of the contextual factors leading to the introduction of increased autonomy is the rapid expansion of higher education systems and the resulting difficulties for central or decentralized authorities attempting to manage complex and diversified higher education systems in a detailed manner.

In China, governance reform was discussed and strongly enhanced in 1998 to bring higher education institutions in line with the progressive implementation of market mechanisms in the broader economic system. The expansion of enrolments in higher education created a need for more institutional autonomy and the decentralization of authority for HE to provinces. Strong expectations also existed for HEIs to take a more active role in contract research with public and private enterprises, and with regard to technology transfer. Stronger outreach to the local and national economic environment would also be achieved more easily with increased administrative and academic autonomy.

Similarly, in Viet Nam, the past and planned expansion of higher education has exerted pressure on the search for more effective management, and has guided the three reform measures related to governance under the HERA agenda. Overall, HERA is expected to lead to a HE system that is 'advanced by international standards, highly competitive, and appropriate to the socialist-oriented market mechanisms' (Resolution no. 14/2005/NQ-CP). Expectations also exist with regard to the diversification of income streams by engaging in the sale of contract services and the commercialization of technological products.

In Cambodia, the expectation of increased administrative efficiency in a resource-constrained environment was stated as an important rationale for greater autonomy under the PAI status. It was also clear that HEIs needed more administrative autonomy to generate more resources, in particular from fee-paying students, so that salaries could be complemented, academic staff retained in the academic profession, and broader institutional development initiated. At the same point in time, increased autonomy is expected to enable HEIs to contribute effectively to the education strategic plan (ESP), which aims at an overall enrolment increase, in particular among students coming from remote areas.

In Japan, expectations of governance reform on the part of national universities increased in the context of the knowledge-based economy. *National University Corporations* anticipated stronger interaction with their local and national economic environments via contract research and the commercialization of their knowledge, thus enabling them to contribute more significantly to national economic development. In terms of funding higher education, there was an expectation that national universities would be able to 'do more with less' (Yamamoto and Futao, 2011: 19).

In Indonesia, the reform was expected to establish a more corporate style of management for universities, giving them the freedom to develop their own management systems and manage their resources more efficiently. It was also expected that they would manage revenue-generating activities, thereby diversifying and mobilizing other sources of income. Autonomous universities are expected to participate in regional development and improve the regional economic and social development. The government also expects HEIs to play their role in improving the productivity of small and medium enterprises in their respective region by providing programmes and financial support.

Overall, one or a combination of the following rationales underlie the introduction of the above-discussed governance reforms (*Table 4*). A comparison of the five countries in *Table 4* makes clear that the objectives of income generation through service delivery, in particular to local actors, is one of the most important rationales for governance reform in the five case study countries.

Table 4. Comparison of overall rationales for the introduction of the governance reform

Rationale	China	Viet Nam	Cambodia	Japan	Indonesia
Enhance the administrative efficiency of the HEI	Not clearly stated	Strongly present	Strongly present	Not clearly stated	Strongly present
Enhance quality and relevance of the academic offer with regard to the needs of the local/national economic environment	Strongly present	Not clearly stated	Not clearly stated	Not clearly stated	Strongly present
Enhance the relevance of research with regard to local and national needs, and the level of interaction of academic departments with the local/national industry	Strongly present	Not clearly stated	Not clearly stated	Strongly present	Strongly present
Generate increased private income to support the overall operations of the HEI	Strongly present	Strongly present	Strongly present	Strongly present	Strongly present

Source: Based on the case studies of the respective countries.

5.5 Autonomy and accountability: Intrinsically intertwined

In all countries, increased autonomy was naturally accompanied by the introduction of new accountability measures, the most common of which was the creation of a quality assurance mechanism at national (and sometimes institutional) level. At the national level, in most countries the creation of quality assurance was strongly linked with a move towards market processes, in particular the appearance of private providers in the higher education sector. But it is also clearly linked with the changing understanding of the role of the state in education with its focus on policy-making, regulating, facilitating, and negotiating. Monitoring and evaluation (M&E), in particular, has a crucial role to play in this 'steering-at-a-distance' paradigm. Quality assurance agencies have thus become a key instrument for the implementation of M&E in the higher education sector.

Given their high level of private enrolments, Japan and Indonesia were the first to introduce new quality assurance mechanisms during the 1990s. Japan already had a voluntary accreditation system established in the post-war period and based on the American system. The recognition of the contribution of higher education to national competitiveness and economic development became a strong driver for reform in the 1990s (and in order to respect the principle of institutional autonomy), the Japanese Government, in 2000, created the *National Institution for Academic Degrees and University Education* (NIAD-UE). Since 2004, evaluation has been compulsory. In addition, an evaluation committee of the National University Corporation was created to evaluate each corporation every six years.

In Indonesia, accreditation was introduced as early as 1994 with the establishment of the *National Accreditation Board for Higher Education* (BAN-PT). In 2003, the National Education System Act made programme accreditation compulsory for both the public and the private HE sector. Faced with the enormous task of assessing some 11,000 programmes, BAN PT decided to link the outcome of assessment (accredited at levels A, B, C, or D [not accredited]) to funding opportunities. The more established of the Indonesian universities have also started to develop internal quality assurance mechanisms, supported by a collaborative project conducted under the *Asian University Network* (AUN). The 2003 Act has also made the creation of internal quality assurance (IQA) centres within Indonesian universities compulsory. At present, a national qualifications framework is under development to provide a clear statement of the expected learning outcomes for the quality assurance system organized under BAN-PT.

In China, the evaluation of HEIs became an issue for policy-making from 1990 onwards, leading to the development of an evaluation methodology and the conducting of voluntary evaluations. In 2003, a decision was taken to make institutional evaluation of the HEIs a compulsory procedure to be implemented every five years. In 2004, a *Higher Education Evaluation Centre* (HEEC) was created for this purpose. There are also provincial evaluation agencies and private evaluation agencies, as well as municipal or provincial education commissions, all of which perform evaluation work. The current aim is to unify the assessment approaches of these numerous providers across the diverse Chinese higher education system.

In Viet Nam, the *General Department for Educational Quality Assurance, Accreditation, and Testing* (GDETA) was created in 2003 under MOET with the mandate to establish an accreditation system, and coordinate the national entrance examination test. In 2007, with the support of several project activities, GDETA developed and pilot tested a set of quality standards for institutional accreditation. In the HEIs, project activities supported the creation of 77 Units for Quality Assurance within universities. In addition, 60 provincial Centres for Quality Assurance Accreditation and Testing have been founded in the 63 existing Departments for Education and Training, with responsibility for external quality assurance of provincial universities.

Finally, Cambodia established the *Accreditation Committee of Cambodia* (ACC) in 2003 as a response to perceived lax standards in the higher education sector, in particular among the manifold new private providers (57 in 2010). At present, however, due to difficulties in building up institutional capacity, ACC is focusing principally on the newly established programmes.

The above account of newly established quality assurance procedures shows that all five case study countries have followed, in general terms, a reform path towards the creation of a quality assurance system. Only in the Japanese case, however, is there a direct linkage between strategic planning and public accountability for the implementation of plans via an evaluation scheme. All other quality assurance mechanisms are of a more general nature in the sense that they focus on the quality of HEIs or their academic offer, as such, often in relationship to an agenda of internationalization, but not on the implementation of institutional policies or plans. With the exception of Japan, the issue of accountability for the implementation of autonomous policies thus still persists.

6 **Autonomy and changes in governance and management**

The granting of autonomy has brought about far-reaching changes in the governance and management of institutions. The country studies undertaken for this study analysed some of these changes, focusing on newly established structures of governance, changes in financial management, staff recruitment, and accountability measures such as mechanisms to assure the quality of higher education. This chapter details trends linked to the autonomy exercised by institutions with regard to some of these areas.

6.1 Autonomy and new structures of governance at the institutional level

In Cambodia, the introduction of PAIs brought about substantial changes in the academic and administrative decision-making process. Universities established governing boards to which university rectors were accountable. In Japan, following the introduction of the National University Corporation Law, management of institutions was reorganized around private sector and business models. Universities established a Board of Directors to which the President was accountable. The universities prepare six-year medium-term plans, which are evaluated by the evaluation committee of the National University Corporation; the committee then takes decisions on several matters including financial allocations. The president of the university is selected by a Presidential Selection Committee, which includes experts from within the university and outside. Other bodies include an Executive Board, Administrative Council, and an Education and Research Council, many members of which come from outside the university.

The case study from Japan also shows that new structures of governance were established in line with the reform of 2004. For example, the governance structure of the University of Hiroshima has a president at the top of the hierarchy, vice-presidents, and an administration bureau. There are four departments under the administration bureau, namely the department of general affairs, the department of finance, the department of student affairs, and the department of facilities. There are several divisions under each of these departments.

In China, the higher education law of 1998 made universities autonomous with their own governing structure. This consists of three agencies: (i) a University Council dealing essentially with strategic matters and issues related to administration and external liaison; (ii) an Academic and Degree Committee dealing with academic issues, regulating teacher qualifications, and awarding degrees; and (iii) a Staff Union dealing essentially with staff welfare issues. Chinese universities also have a standing committee of the Communist Party of China (CCP), which has the authority to appoint deans and senior administrators. The president of the university is appointed by the Ministry of Education. New administrative structures were also created at the East China National University (ECNU), including an Office of International Education and Planning, a Foundation for University Development, an Alumni association, and so on.

In Indonesia, as mentioned earlier, university autonomy was granted by transforming universities from government institutions to independent legal entities. In 2000, four selected universities (the University of Indonesia, Gadjah Mada University, Bandung Institute

of Technology, and Bogor Agricultural University) were chosen to become non-profit legal entities with their own governing board, to which the university reports, with the authority to make major administrative and academic decisions. The number of legal entity universities was increased to seven in 2001. Public universities that are not legal entities report to the ministry. Autonomous universities have established boards of trustees with representatives from the government (e.g. the Minister of National Education, local governor), industry, alumni, prominent figures in education, and the academic community. The Board is the supreme body in an autonomous university with the authority to select and appoint the rector, and approve the strategic plan, annual programmes, and the budget plan. Major investment and changes in budget allocation have to be approved by the Board. They are also responsible for appointing the internal audit unit and the accountant/external auditor to conduct external audits. The rector of the university is supported by vice-rectors for academic, administrative, and student affairs, and so on.

In Viet Nam, a People's Committee leads the hierarchy with a Rector Board reporting to them. The Personnel Office regulates functions, missions, and relations between An Giang University (AGU) offices and faculties. The Planning and Financing Office in consultation with the Rector Board prepares plans, budget estimations, and so on.

The trends identified here indicate that the creation of a stronger executive at the institutional level and the establishment of governing bodies, a board of directors, or a board of trustees to which the president or rector is expected to report, are common elements according to the new structures.

6.2 Autonomy and financial management

One of the areas where public authorities would like to exercise more control is finance and budgets. Resource allocation mechanisms and fund flow patterns changed in many universities as a consequence of the increased autonomy granted to institutions. Resource allocation mechanisms in some cases are now criteria-based and are thus more transparent.

In Cambodia, resource flow mechanisms take two routes. In the case of PAIs, the university budget flows directly from the Ministry of Economy and Finance to the institutions. In the case of non-PAIs, resources flow from the Ministry of Finance to the Ministry of Education, and from the Department of Finance in the Ministry of Education to the non-PAI institutions. Of the two, the PAI route seems faster and more efficient. In addition, PAIs are able to keep and manage generated funding within the HEI. At the two case universities, increased funding could be used for infrastructure development, such as new lecture halls, laboratories, and teaching and learning facilities, and to increase staff numbers. However, an internal audit office was created at the Royal University of Agriculture (RUA) and the National University of Management (MUA).

In Japan, all national universities became national university corporations in 2004, a move characterized by a decline in the share of public funding. For example, public funding accounted for 49.6 per cent of the total income of Hiroshima University in 2004, but only 38.6 per cent in 2009. Cost recovery including student fees constituted less than 15 per cent of the total revenue of the university. Income from commissioned research improved, but the increase was not substantial. It seems that reliance on public funding therefore continued even after the

introduction of national university corporations. Public funding of private universities declined to 12 per cent and fees accounted for nearly 60 per cent of the income of private universities in 2009. As competitive funding for research increased, so also did its share. However, the increase in the share of competitive funding to total income is not substantial, increasing from 6.7 to 7.3 per cent of total revenue in 2009.

In China, sources of funding for universities changed as a result of the higher education law passed in 1998. Prior to the law, universities received 100 per cent of their funding from the line ministry. During the period of 2000–2008, the share of private income increased from 34.8 per cent to 49.2 per cent at ECNU, while the remaining income (50.8 per cent) came from government sources. These non-governmental sources include alumni, society, student fees, contract research, and so on. In many universities, a part of public funding is provided by local government. Some local governments have significant funds at their disposal and are willing to invest more in higher education, while others are not in a position to contribute substantially.

In Indonesia, the transformation of Gadjah Mada University (UGM) into a legal non-profit entity has facilitated the establishment and management of revenue-generating activities, such as commercial ventures, on condition that the income generated is reinvested into the development of the university. In 2001, UGM established Gama Multi Usaha Mandiri (GMUM) as a holding company to manage commercial ventures, but financial gains remained relatively small. In general, however, UGM's private revenue doubled over the period of 2006 to 2009 in nominal terms. UGM also established an endowment fund with the support of philanthropic donors, and in order to reinvest generated income. Financial management has been restructured through the integration of decentralized accounts into a unified double-entry accounting system. The new system gives the universities some flexibility to directly use any revenue they have generated, and then report to the Ministry of Finance. The Ministry proved reluctant to give assets to the autonomous universities with the exception of one legal entity university. On the accountability front, an Internal Audit Unit was established under the Board of Trustees that regularly conducts financial audits for all units. Despite a promise that tuition fees could be set by the autonomous universities, a law was issued which stipulated that the amount of tuition fees should not exceed 30 per cent of operating expenses. The same law also mandated that at least 20 per cent of places at public universities should be allocated to students from poor families.

In all instances, increased autonomy has led institutions to obtain resources from non-government sources and engage in income-generation activities, leading to an enhanced share of private income in all institutions of higher education.

6.3 Autonomy and staff recruitment/management

In China, there are set criteria for staff evaluations and promotions which are strictly adhered to. The process entails evaluation of junior staff up to the level of Associate Professors at the departmental level with Professors playing an important role. University-level evaluation is carried out for promotion of professors and senior staff. However, staff recruitment policies are decided by the university and not at the departmental or school level.

In Japan, prior to the transformation of national universities into national university corporations, faculty members were civil servants. This implied that recruitment, placement,

salary, and regulation of their activities were carried out by the central government. In practice, this resulted in greater academic freedom and autonomy for professors at the institutional level since control on them was exercised by the central government. Following the creation of national university corporations in 2004, however, faculty members ceased to be civil servants. Furthermore, universities have increased the number of fixed-term appointments. For example, in 2006, 77 national universities applied fixed-term appointments to less than 10 per cent of faculty members. By 2009, 81 national university corporations had applied fixed-term appointments to 18 per cent of total faculty members, including some full professors. However, it is believed that while the professoriate now enjoys greater autonomy, this has come at the expense of the power and authority previously vested in them.

In Indonesia, similar to Japan, the governance reform was intended to permit legal entity universities to transform civil servant staff into university staff over a period of 10 to 15 years following the change of status. However, after the introduction of the governance reform, the government decided to freeze civil servant recruitment in legal entity universities to oblige these universities to recruit university staff. However, the introduction of the promised block grant system for operational expenditure was blocked by the Ministry of Finance on the basis that public funding to universities has to follow Government Treasury Law. Legal status universities were thus obliged to finance academic staff recruitment exclusively from their own resources. This led at UGM to a decrease in the recruitment of academic staff and a reversal of the situation in 2006, when UGM requested the government to revert to the former system of civil servant recruitment. Furthermore, a national policy of academic staff certification linked to a major increase in salaries for civil servants made recruitment as a university staff member very unpopular. However, at UGM, under a new staff management system, several incentive schemes were developed for staff, which were said to reduce staff absenteeism and boost work performance.

It is interesting to note that a number of unintended effects were reported by some case study countries. For instance, in Cambodia the reform led to an increase of teaching responsibilities at the two case universities due to the increase in fee-paying students. As a consequence, university lecturers have had less time to devote to research and thus advance in their research careers. In Indonesia, at UGM, the new governance framework allows each department to recruit staff from generated resources on a contract basis. As a consequence, there is an expectation that this will lead to imbalances in the availability of administrative staff across departments. In many cases, staff selection and performance evaluation have become key concerns at the institutional level.

In addition, many universities are in a process of transition from civil service status to fixed-term appointments by universities. As a result of this change in status, the professoriate in many instances has lost its collective bargaining powers.

6.4 Autonomy and measures to improve quality of higher education

In all five case study countries, there used to be detailed ministerial guidelines for higher education curricula. These were abandoned in China, Indonesia, and Japan during the 1990s, and more recently (in 2006) in Viet Nam.

In Japan, self-monitoring and self-evaluation were established at the faculty level, and in some organizations faculty committees were created for this purpose. With direct reference to the corporatization policy, a national evaluation report states that due to the policy, universities could put more effort into student services, and also that the corporatization policy 'helped them to improve educational activities by their newly revised admission policy, curriculum policy, student evaluation, and so on' (Yamamoto and Futao, 2011).

In Cambodia, the achieved increase in extra-budgetary resources as a result of PAI status played a major role in helping to 'improve the facilities of the universities studied, the quality of lecturers, and led to changes in teaching and learning methodologies' (Visalsok and Ngoy, 2011).

In China, increased autonomy to HEIs in the area of curriculum development, as a result of the 1998 higher education law, led ECNU to undertake a major reorganization of departmental structure and to increase considerably the number of programmes.

Similarly, in Viet Nam at AGU, since 2006, academic units have had to conduct employer and student surveys with a view to revising the curriculum, training programmes, and training methods. Units had to prepare course syllabi and prepare for student evaluation feedback. Existing curricula were also organized under a credit point system and the content of courses is now publicized for each school year. Lecturers were strongly encouraged to apply information technology for teaching. As a direct effect of increased autonomy, there has been a rapid increase in the number and types of training programmes offered at the university.

It should be also noted that, in addition to the external quality assurance mechanisms created in all five countries (see *Section 5.5*), universities in China, Indonesia, and Viet Nam also set up centres for internal quality assurance. In Indonesia, these centres became compulsory in 2003. Gadjah Mada University, the first new unit established after the new legal entity status, hosts the Office of Quality Assurance, which developed an internal quality assurance system for the whole university. In addition, the newly gained autonomy in the academic area has enabled the university to develop many new graduate programmes (both at the Master's and PhD level), and introduce innovative teaching and learning methods. Furthermore, Gadjah Mada University claims that the legal entity status has helped it to increase local student selection from 40 per cent to 80 per cent in 2010, which 'improved the quality of student intake in terms of socio-economic proportion as well as regional distribution' (Nizam and Nurdin, 2011). The new status has also produced significant improvements in students' grade point averages (GPAs) and average time for study completion.

7 Did autonomy change governance and management? Perceptions of change by the university community

The reforms and granting of autonomy have affected the overall functioning of the higher education sector. Since the country studies focused on issues related to autonomy, the changes studied under this project occurred more naturally at the level of higher education institutions. The study team collected information from different stakeholders including decision-makers at both national and institutional levels, and academic and administrative staff members at the institutional level. The discussions in this chapter are based on primary sources of information generated by the research teams.

7.1 Perceptions of change at the national level

Perceptions of the underlying reasons for the introduction of governance reform (and the granting of autonomy) varied among the national authorities. Institutional effectiveness was one of the common concerns. In Cambodia, it is felt that autonomy ensures higher level performance among institutions and helps them to follow higher education policies and programmes formulated by the government. In Viet Nam, the national authorities have felt that autonomy has contributed to increased institutional effectiveness and a reduction of workload and pressure at the national level. At the national level, fewer functionaries are needed now than before the implementation of reforms related to autonomy. In general, increased autonomy has reduced bureaucracy and direct control of institutions. The decision-making process has become faster and easier.

7.2 Perceptions of change by authorities at the institutional level

The effect of granting autonomy is felt more explicitly at the institutional level. Institutional leaders in all cases felt that the reform has led to more authority at the institutional level to take decisions and implement them. This freedom is also accompanied by additional responsibilities of mobilizing resources and has subjected the institution to accountability measures such as quality control mechanisms and performance evaluations. The responses at the institutional level reflect this tension among decision-makers – happiness with the newly acquired freedom and authority, but simultaneously concern regarding the additional responsibilities of planning and compliance with accountability measures, and the pressure to mobilize resources.

In Cambodia, institutional level managers acknowledged the decentralization of decision-making to the faculty and department levels as a result of the change. Issues related to curriculum and staff promotions are now decided at the department/faculty level. In China, departments and schools now enjoy more autonomy, which allows them to prepare plans for staff recruitment and the allocation of funds. The heads have full authority over the resources mobilized by the department. In Japan, institutional managers feel that autonomy has contributed to more flexibility and has helped to obtain more research grants.

In Viet Nam, institutional managers feel that enhanced autonomy has helped to make institutions more active and creative, and has helped to mobilize more resources. The reform has increased operational efficiency in staff management, and the specifications of qualification and recruitment procedures, and so on, are decided by the institutions. This has also helped to reduce workload at the national level. However, it is also felt that the full benefits of autonomy could not be realized because of the seeming inconsistencies in the guidelines provided by central and local governments.

7.3 Perceptions of change by the teaching staff

A majority of university staff in Cambodia feel that autonomy has given greater freedom to develop new study programmes, introduce new courses, set research priorities, introduce cost-recovery measures, and so on. However, a majority of teaching staff feel that increased autonomy has increased workload – both administrative and academic. In China, academic staff overwhelmingly feel that, after the reforms, academic autonomy has increased both at the institutional and individual levels. The freedom to develop curricula and courses, and set research priorities, has increased. This is accompanied by increased autonomy in issues related to staff management and student admissions. However, staff members feel that autonomy has resulted in only limited change in administrative procedures and decision-making structures, and so on, while academics have noted that increased autonomy has led to an increase in administrative workload for academic staff.

In Japan, as in other countries, staff members feel that autonomy has increased the administrative workload. This is more so in the context of competitive research funding, as faculty members are now able to interact directly with industries to organize collaborative research activities. There is a feeling among academic staff in Japan that relatively more freedom is enjoyed by top administrators, as they now control more personnel, materials and funds than before.

The administrative staff in most countries feel that procedures have become less complex and processes have become quicker and faster. In some instances, autonomy has led to the centralization of power at the rector level. This is more so with issues relating to the mobilization of resources, as these require more centralized decisions.

Concluding observations

The country studies reveal similarities and variations in the application of autonomy in different contexts. The comparative analysis thus clearly shows that autonomy is a relative notion. An important commonality of all five case studies is that autonomy denotes a concentration of decision-making power at the institutional level (rector/president with a management team frequently placed under the supervision of a governing body).

It also appears as a salient feature that university autonomy is more centred on procedural matters in universities in countries which are less developed. Autonomy, both at the substantive and procedural level, becomes a reality in countries such as Japan which are advanced. The move towards autonomy did not succeed very well in Indonesia partly due to the perception of financial uncertainties resulting from the withdrawal of the state, in part because of a lack of coordination among different ministries. Such uncertainties acquired greater importance in less developed countries, as their capacity to mobilize resources from non-state sources is more limited.

Political orientation and traditions play an important role in the way autonomy is perceived and implemented. For example, in the state-dominated economies, the state prefers to maintain a central role in all decision-making areas, which reduces institutional autonomy. Some of the countries selected for the study have followed a centralized system of administration. It has become more difficult in these countries to move towards substantive or even procedural autonomy.

The tradition or model of management followed in higher education in a country also influences the way autonomy is introduced. In cases where the existing management model is more bureaucratic, the introduction of autonomy may require time for people to become habituated to the new forms of governance and management structures. For example, among the countries selected, Japan has a strong tradition of collegial decision-making at the university level, with academics assuming a high level of authority within the higher education system. All other countries place high or very high levels of authority for higher education within the state and are closer to the bureaucratic model of managing the institution.

Autonomy becomes a meaningful concept only when it is applied effectively. The translation of autonomy from an abstract concept to operational practice depends on the institutional leaders. Institutions with strong leaders benefit more from autonomy than those with less strong leaders. In all cases, the governance reforms have further strengthened the role of the institutional head.

In some of the countries, the ruling political parties have a strong influence and presence within the universities. In China and Viet Nam, the Communist Party and their representatives exercise influence over the decision-making process. For example, the Standing Committee of the Chinese Communist Party of ECNU has the authority to appoint deans and senior administrators for institutions. In these instances, the influence is not exercised by the government but by the party, although these two (party and government) operate very closely. In the case of the socialist countries, it appears that party control is a salient element

of governance. The autonomy reform therefore implies that party control is shifted from the ministry to the institutional level.

The studies in general support the idea that institutions have become more independent in their operations, enjoy the freedom to appoint teachers, and take decisions regarding promotions. They are also free to mobilize resources and utilize the additionally mobilized resources for the good of the institution as they (the governing body) see fit.

Autonomy in all instances has also led to greater centralization of power and authority at the university level – in the office of the president/rector. University heads have become more powerful than before in all of the countries studied. Some of the institutions were very bureaucratic in their procedures and delays in decision-making have been reduced as a result of greater autonomy. This is primarily due to the need to take decisions pertaining to the financing of various programmes, to evolve strategies for resource mobilization, and so on. Even though the number of meetings and the participation of staff members at the departmental and faculty level have increased, it is not clear from the studies whether such participation has increased the influence of academic staff in decision-making. The studies show that stakeholders perceive that autonomy has increased administrative efficiency, the capacity to mobilize resources, and the amount of resources mobilized by the institutions. However, it is not clear from the study whether or not the granting of more autonomy has led to improvement in the quality of the services provided by the universities. It has been pointed out that some universities have established internal quality assurance structures. However, the creation of these bodies, although a necessary condition, is not necessarily a sufficient condition for ensuring quality. These areas require further research as a follow-up to the present studies.

The case studies also show that autonomy policies need certain conditions to become successful. First of all, autonomy requires coherent national policies. Two of the five case study countries are characterized by horizontally shared governance (HEIs are placed under numerous line ministries), and three of the case studies are characterized by vertically shared governance (HEIs are placed under central and decentralized government structures). In the case of decentralized governance, Viet Nam experienced a lack of coordination between national and regional levels with regard to the regulations for financial management. This created uncertainties and inconsistencies at the level of the regional university. In Indonesia, inconsistencies appeared between the policies and regulations pursued by the different ministries at the national level, which ultimately led to the failure of the governance reform. Therefore, the coordination of national ministries (finance, public service, and education) and the coherence of their policies were highlighted as extremely important factors in the successful implementation of policies aimed at increased autonomy.

Second, the introduction of autonomy should be organized as a process. All case study countries have introduced increased autonomy in a progressive manner with multiple reform layers, each building on the previous one. This was particularly the case in Viet Nam, where government resolutions built one on another in a clear process. Such a progressive introduction of autonomy layers helps HEIs to progressively adapt and learn. Cambodia has said that the PAI reform is only a first stage in the granting of increased autonomy, as the regulatory system remains a constraining factor.

Third, introducing increased autonomy can be piloted in a limited number of higher education institutions. Two of the five case study countries (Cambodia and Indonesia) introduced increased autonomy to a selected number of HEIs, while the other three countries opted for governance reform across the sector or in one of its segments (Japan selected only national universities). While piloting increased governance has the advantage of experimentation with a lower level of risk, generalization after may present difficulties, as was shown by the Indonesian experience. It is necessary to bring elements of autonomy in line with existing capacities, which need to be built up progressively so that the HEIs can fully embrace the potential of autonomy. However, higher education authorities should keep in mind the objective of equalizing (academic and administrative) capacity levels in the sector with the long-term vision of granting increased autonomy to all HE institutions.

Finally, the analysis has helped to conclude that autonomy should not be considered as an aim in itself, but a means to an end. The introduction of autonomy should be in keeping with the national context (including administrative capacities) and should be well aligned with a policy context. Consequently, there is no one model for ideal governance reform in higher education; instead, autonomy reforms need to be considered as a means within a broader reform agenda.

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Most governance reforms imply a shift from a state control model to a state supervision model. This is reflected in terms of granting more autonomy to public institutions and encouraging the operation of private higher education institutions. This study focuses on the implications of autonomy granted to public institutions in Asia. Based on case studies from Cambodia, China, Indonesia, Japan and Viet Nam, the study shows that granting autonomy, in general, has led to increased managerial efficiency, faster decision-making processes, enhanced capacity to mobilize resources, and so on. Evidence of the positive impact of autonomy on quality of services is not conclusive, however.

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