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Governance, Autonomy and Accountability



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Ladies and gentlemen!

I would like to thank Jose Maria Fluxa for the invitation to join you in your meeting in Madrid.

It is a great honour to speak today about our experiences in implementing the Austrian Universities Act 2002. This act was important for university life as it brought Autonomy to Universities.

We have been living the process of reform for a number of years and I think that we have come to a stage where we don't have to restrict our discussion any longer to the goals of the reform but can rather talk about first results.

Of course we have different experience with our universities in Spain and Austria. We should however not forget that at least for some centuries our history has been interlinked and shows some parallels. I'm thinking here for instance of the heritage of Catholicism.

Today both countries are members of the European Union and committed to the Lisbon Process and the declaration of Bologna, a milestone of harmonizing universities throughout Europe.

Today I am speaking in my capacity as chairman of the university board of the University of Vienna.

This is an old University with a broad range of studies and a large number of students. The University of Vienna was founded on 12th March 1365 and is the oldest existing university in the German Language Area.

It is our goal to become one of the best universities in Europe.

This is rather ambitious considering the number of students we have to admit, the broad range of studies we offer (the university comprises 15 schools called faculties and 3 centres) and the limited funds available (450 mio €).

During the last centuries autonomy was not the common guideline in Europe.

The mediaeval Universities were more or less self-determined institutions under the protection of the sovereign or the church. The members of this *universitas magistrorum et scholarum* were exempt from taxes and military service. They had their own jurisdiction, carried out by the President himself. The ermine they wore on their academic gown was a Symbol of the Rectors position as a high-justice. Only with the emergence of central states, autonomy was curtailed, especially in the aftermath of the enlightenment, during the enlightened-absolutism. During the Austrian Habsburg monarchy all universities - with the exception of three (Vienna, Prague, Freiburg) - were closed in 1782 and there was a clear concentration on topics useful to the running of the central state.

I understand that you had at the same time a similar development under Charles III. and his reform of 1776 of the *Colegios Mayores* and in the Salamanca curricula-reform of 1786 for all universities.

The same development took in fact place throughout Europe.

In France the Ecoles Polytechniques were founded. Bear in mind that until today these schools report to the French Ministry of Defence and not to the Ministry of Education. The Prussian reform of Alexander von Humboldt in the early 19th century was the answer to French utilitarianism and brought individual freedom for the scientists, although all decisions in the appointment of the faculty as well as questions of finance rested in the hands of the state administration.

And so it was the case throughout Central Europe. Universities kept being dominated by government and administration till the end of the 20th century.

In my deliberations today I want to concentrate on Governance, Autonomy and Accountability.

The core questions in dealing with university policy are:

Is the university just a community of individual and free members working along their interests in a more or less unorganized way?

Or is it an academic community working both individually as well as together in pursuit of a common goal.

The goal would be to improve the overall academic profile, to get stronger in academic competitiveness and to follow the principle of academic quality in all fields.

Many professors might rather choose the first model.

Looking at universities from an overall responsibility the second solution is the preferred one. In this case you need university leadership, the decision on joint goals, i.e. the decision on strategic planning, and last but not least the decision on the budgets.

Of course you can not escape the inherent tension in the system of universities.

Universities are complex social organisms with an immense number of individuals doing their work in research, in teaching or in studying.

The special challenge comes from the fact that the individual independence and liberty of scientists and academic teachers is guaranteed by constitutional law.

Whatever the model for the university you opt for, certain decisions have always to be taken. We believe that through autonomy best possible results are being achieved.

The essence of the idea being: Autonomy provides the flexibility needed to adapt and to respond to a changing society.

Let me now turn to the Austrian experience:

Up to 2002 the universities were fully governed by the Ministry of Science and Research.

The University Act 2002 transformed universities into autonomous institutions with the task to determine their future by themselves.

At the beginning surprisingly enough very few members of the university supported the idea of autonomy full heartedly.

There was broad scepticism for a variety of reasons. It was an amazing coalition which enabled to pass the new bill.

The strongest force behind the new law came from within the ministry of Science and Research. The responsible person in charge, the general director for the universities had come to the conclusion that an input-oriented steering of universities by a central government would soon come to its limits and would not guarantee further quality enhancement.

He was convinced that autonomous decision-making in a framework of governance, strong academic leadership and accountability would lead to better results. He was supported by another grouping, a small number of university presidents who had been in charge for some years albeit without having the means or the instruments to govern their universities.

The opponents of the idea of autonomy were primarily members of the universities themselves. They were numerous in every part of the university. The students feared the dawn of commerce. The professors in turn were rather reserved at the idea of a strong university president - especially as one of their flock, the rector, would now be deciding instead of someone from the remote ministry who acted after all in some distance to the university. And the younger scientific staff had all reasons to oppose, because the new law abolished all their participatory rights.

Most striking of all was the absence of any confidence in the self-regulatory capacity of universities. It was a long way for all of us to build up trust in the ways and means that lead to the right decisions within universities. To have a strong leadership on the one hand and participation, communication, control and accountability on the other hand was after all possible.

It is probably uncontested that self-determination, autonomy, meaning the right to determine the own future is never wrong. What are needed are clear academic goals, the right rules of governance and the necessary funds. Today, only five years after the introduction of the reform nearly everybody supports the major principles of the reform. This even includes the political parties who back in 2002 voted against the act.

Let me underline once more my conviction that government is and has to stay responsible for the universities.

I'm not opposing the role of governance; I'm speaking in favour of a mix of instruments. Autonomy is not in conflict with the ongoing important role of the ministry.

Public Universities do not belong to academia alone; they belong to "society".

We are not working in a free space, we need rules, we need some form of coordination and we need an authority to which we are responsible to in our actions and decisions. We adhere to our responsibility in relation to the undisputed right of the government to set the general framework and to decide on the principles we have to adhere too.

If the environment for science is changing rapidly there seems to be need for self regulating mechanisms to respond swiftly, in other words there is a necessity for flexibility.

Having served in three ministries I am in no way critical to public administration. My point is that you need both:

Framework setting, guidelines, coordination and the provision of funds by the state as well as self regulation by the universities is needed.

I am a banker by profession. Even looking at the current crises, I would maintain, that you need this kind of mixture also in banking. The managers surely have not proven extremely successful. Nevertheless it would be impossible and counterproductive for the state to micromanage financial institutions. So we better get the right mix.

What is therefore the autonomy we are talking about?

There are some core liberties which are fundamental to the idea of the autonomy of universities.

Central to autonomy of universities are the decisions on academic quality, academic competitiveness and the distinct profile.

This is no way an easy task for academic managers because they have to make sure that all parts of the university are fully in line with the quality standards to which the academic community has committed itself and thereby easily get in conflict with the individual autonomy of the scientists.

Anyway, in spite of the great diversity of European universities there are some common features which are fundamental to university autonomy.

First - the academic autonomy,
Being the right and capacity to define the mission and profile

Second - organisational autonomy
Being the right and capacity to decide on the internal structure and decision making processes in line with the specific mission and profile

Third - personal autonomy,
Being the right and capacity to manage the academic and the administrative staff and the responsibility for personal development

Fourth - the financial autonomy,
Availability of lump sum budgets and the capacity to raise funds

All of these would require some more discussion in detail.

So far the Austrian reform is a shining example for autonomy.

But I have to admit that we lack two major parts of full autonomy, which are:

The autonomy in selecting our students and the autonomy in setting tuition fees.

Both factors have a remarkable impact on our task but have to be accepted as fundamental political decisions. I could talk a lot about our problems attracting German students not gaining access at their own universities for reasons of the German numerus clausus.

Furthermore our parliament has abolished the rather low tuition fees just recently in the context of upcoming elections.

How are universities now organized in Austria?

They have full legal personality under public law.

They continue to be largely funded by the state.

And as principle of governance we have a cascade of agreements between all relevant partners of the system.

The fundamental agreement is the one between the university and the state. We call it Performance Agreement. This agreement is in force for a period of three years.

The university commits itself to a strategic plan and the federal ministry in return provides the financial means by a global budget.

Agreement in this context means that the ministry and the university meet as equal partners.

As far as the executive management is concerned there is no further influence of the state. The responsibility for the general legal framework rests with the ministry.

Within the university we follow this pattern.

The board on its part has an agreement with the rector and his team. The rector has an agreement with the schools and so on and so forth.

There are three leading bodies at the university:

The university board, deciding on the principles and being fully in charge of the supervision,

The presidency called rectorate, being the executive

And the senate, comprising representatives of the different university member groups with a majority of full professors. They are primarily in charge of curricula.

I would now like to draw your attention to the university board.

As a consequence of the withdrawal of the state from the management of the university, the power of the rectorate and his team increased. This needed some counterbalance and subsequently gave birth to a new university body, the board of university.

It was designed not only as a board for economic control, but has a decisive function in agreeing on the fundamental decisions of the university. It decides on the strategic and on the organisational plan. The board takes no part in the individual appointment of faculty but it decides on permanent professorships as such. That means on the academic design of each chair of the university.

In most cases we act upon propositions by the rectorate. This obviously can be an imminent source of conflict.

As the board is not meant to be a rubberstamping institution you need strong engagement of the members and an early cooperation in the elaboration of the main tasks.

The board itself comprises nine members. In order to ensure that it is neither dominated by the state nor by the university, both sides nominate an equal number of candidates, none of whom may be members of the university. They together have then to vote for a further member and for the chairman. If this group is well chosen and in the case of the University of Vienna four members are distinguished academics from German, Swiss and Dutch universities, it is relatively easy to get authority throughout the university. The added value of the board is that it is the only institution in the university without specific individual interests.

Clearly the most important right of the board is the right to elect the rector and his/her team out of a proposal by the senate, comprising three candidates.

It is undisputed that the executive power lies with the rectorate and his team.

The schools are headed by deans, appointed by the rectorate and there, once again, the cascade of mutual agreements comes into play. The target agreements as they are called are the results of negotiations between schools and the rectorates on the strategic plans of the schools.

In addition to the mechanism of the cascade there is a further constituent rule of university governance.

We call it the principal of double legitimacy.

Each office holder is elected by its superior body and at the same time needs support within the nomination group, be it the senate with respect to the rector, and the faculty with respect to the dean. This has proven beneficial to the acceptability and the authority of people elected to office.

However, more power needs more control and more autonomy goes hand in hand with more accountability.

The vehicle of mutual agreements internalises accountability into the system.

We put great emphasis on reporting and controlling.

We are fully committed to our yearly reporting to the ministry by the Performance Report, the Intellectual Capital Report and the Commercial (annual) Report. We also provide full information on the implementation of our strategic plans to the ministry.

Let me conclude by giving you an answer to the question on whether the process has so far been successful or not. My answer is yes, we have achieved quite a lot.

The university is changing in the right direction. There is a major move towards jointly deciding on strategic issues. For the first time in history each school had to elaborate a common strategy. The university as a whole had to aggregate and consolidate these individual

parts to a combined strategic plan of the university. This was a difficult process which has been started successfully.

Never before has there been anything such as the discussions we had in the last years between all the individual scientists of different academic fields. These discussions took place in and between the schools.

The actors were supported by international advisory boards, which included some of the best academics of the respective field of research.

Although the former government had tried to abolish most of the participatory rights of groupings of the university other than full professors, there was in fact more discussion and cooperative work before decisions were taken.

It is fair to say, that we have introduced a full range of measures, such as structured Doctoral Programs, or Research Platforms for the cooperation of scientists of different schools which will provide for increased quality in research and teaching.

As is true for any university, the key to success is the engagement of top scientists. You have to attract the best people for the faculty and make sure that they find the very working conditions they need. And I dare say, that Vienna has become attractive to leading scientists.

Furthermore it is essential that the leadership of the university and the faculty share the same understanding on academic quality.

Needless to say, that each field of research may need a different approach or different criteria in respect to academic success.

There is a common understanding in Vienna, that the university has to get competitive and that your peers should be rather the best than only the average.

I cannot yet say that we have gone sufficiently far in implementing the reform. We have to cope with the fact that the University of Vienna is not only a place of doctorate colleges. We are also a huge college for undergraduates.

And, as I mentioned, our main challenges are that we have no entrance exams and do not have the right to select our students.

As a consequence some schools are overcrowded. In this environment it is difficult to ensure the academic standards we wish to achieve.

It is fair to say that we are well on our way.

Provided we get the necessary funds, I am confident that the University of Vienna will benefit from the opportunities given by autonomy and will play a role in the upper league of European universities.

Thank your for your attention.