Governance through transparency tools
The case of Romanian higher education reforms

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Abstract

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In 2011 the Romanian government started an ambitious higher education reform that established a system for classifying universities and ranking their study programmes. The paper makes the argument that these transparency tools go beyond providing comparable information about the performance of universities and could be described as an effort to change the existing governance structure. The Romanian case represents a hybrid combination of a sovereign state model that sought to reassert the role of the state as a governing body, and to a limited extent a market model since it furthered competition between institutions along centrally defined criteria.
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Introduction

In 2011 the Romanian government started an ambitious higher education reform. The reform was largely inspired by European policy narratives that emphasized the importance of higher education in a future knowledge economy and more precisely the significance of higher education diversification as means to achieve better overall performance of the system. Consequently, Romania became one of the few Eastern European countries to introduce a diversification policy based on the classification of universities and ranking of study programmes. Rather than merely providing comparable information about the performance of each individual institution and study programme the policy sought to utilize these transparency tools as instruments of governance and link them to the allocation of publicly funded study places and other financial incentives. In this respect, Romania has been a very unique case, since it was the first ‘attempt’ in Europe to actually use a classifications and ranking exercise for such broad purposes. I deliberately emphasized the word attempt, since in 2012 the reforms have eased following a change in the national government. While the Law on National Education, which provided the basis for these reforms is still in place, some of its provisions have been modified and others, such as repeating the classification and ranking exercise every year, no longer followed. Despite this fact, the distinctive endeavour by Romanian policy makers to use transparency tools for steering higher education proves to be a noteworthy case to study.

As I will argue in this paper, these reforms go beyond providing comparable information to relevant stakeholders about the performance of universities and represent an effort to change the existing governance of higher education. My argument is supported with qualitative data that was gathered throughout the period of October 2013 and May 2014 by interviewing local policy makers and reviewing the related policy documents. I start off by revisiting shortly the traditional models of governance in higher education and later examine whether transparency tools could represent a novel approach to governance.

Higher education governance

Governance is a general concept that refers to the approaches governments use to control and influence specific public sectors, such as higher education (Å. Gornitzka and Maassen 2000). It embodies both the rules that define how actors interact with each other and the rules that regulate the context within which higher education institutions operate (Å. Gornitzka 1999). Therefore, every time we refer to governance change we imply that a new set of rules is overriding the previous ones to influence the behaviour of individuals or organisations (Maassen 2003). The starting point of every governance change is an agreement among stakeholders that the traditional arrangements are not sufficient in steering higher education institutions in such a way that specific political, social, or economic goals can be achieved (Maassen 2003). Depending on how this agreement is reached and negotiated we can speak of different governance models.

Commonly, the higher education literature distinguishes between two, mutually exclusive models of governance. These are the rational planning and control model and the self-regulation model (Vught and Vught 1989). In the first case governments are confident that they know how higher education institutions should behave and impose control mechanisms accordingly. In the second model the government rarely controls institutions directly, instead observes and if necessary changes the rules which govern institutional behaviour (Å. Gornitzka and Maassen 2000). This model is also known as the state-control and state supervision model (Neave and Vught 1991). In the past the dominant tendency has been to shift to the latter model. State supervision involves the central assumption that higher education institutions can operate on the same principals as other private entities on a free market, which could help overcome inefficiencies in service provision. It embodies the withdrawal of the state from controlling and influencing higher education directly and instead stimulating competition among autonomous and flexible institutions. Thus, traditional public regulation mechanisms are increasingly replaced with market-type mechanisms (Amaral and Magalhães 2002).

Rather than viewing governance as the continuum between full and no state control the ‘Triangle of coordination’ offers a more complex explanation of the nature of relationships embedded in any governance structure. This analytical tool distinguishes between three centres of authority in higher education governance. These are the state, the academic oligarchy, and the market. In each case, different coordination mechanisms
are at work. State authority relies on bureaucratic coordination exercised through a hierarchically arranged administrative structure. The academic oligarchy imposes professional coordination where authority is earned within a collegial environment. The market provides coordination through the interaction of different actors on different markets (labour market, student market, etc.) where supply and demand are negotiated. The model portrays three different forms of ‘logic of regulation’ (i.e. market based contracts, bureaucratically-based rules and professionally-based norms) depending on where authority lies and also allows for their mutual combination in a single governance structure (Amaral, Jones, and Karseth 2002).

Another conceptualization of governance models has been offered by Olsen, who distinguishes between for models. These models build on different perceptions on the role of the state, the university and the public but are not considered as being mutually exclusive (Olsen in Campbell and Peters 1988, Å. Gornitzka 1999)

- Sovereign state
- Institutional state
- Corporate-pluralist state
- Classical liberal state (state supermarket model)

The sovereign state model builds on an instrumentalist view of higher education institutions, whereby each institution is accountable for achieving a set of externally defined social or economic objectives. The model is characterized by limited institutional autonomy and tight governmental control over what universities should do and how they should do it. Within the institutional state model universities are seen as autonomous institutions responsible for upholding their traditions and values without much interference from the state or other stakeholders. Consequently, universities are the agents of their own change. The corporate-pluralist state model highlights that there are several legitimate centres of authority, which have a right to influence the development of higher education. The model is characterised by segmented interest groups and dispersed authority among them. The supermarket state model stresses the importance of the market in steering higher education institutions towards optimal performance. The role of the state (and of the academic community for that matter) is very limited, as change is attributed by the ability of individual institutions to compete and adopt to variations in supply and demand. In sum, all four models have distinctive perceptions about the role of higher education, use different criteria for the assessment of institutional performance, rely on different power constellations and decision making practices, perceive the source of institutional autonomy differently, and offer various explanations for organisational change.

These theoretical approaches to the study of higher education governance highlight the explanatory importance of the concepts of ‘authority’ and ‘autonomy’. Thus, when speaking about governance shifts we cannot avoid the question of: “Who is actually in charge of higher education institutions?” (Maassen 2003, 32). They also emphasize how changing perceptions about the role and purpose of higher education are likely to lead to new governance structures. Therefore, the analysis of the by recent higher education reforms in Romania is going to be guided by looking at how the core ideas of higher education and the power of actors was transformed.

Higher education reforms in Romania

During the last twenty years higher education in Romania changed very much, especially along its legal framework. Among the central matters were the regulation of private higher education, the reestablishment of institutional autonomy, the modernization of public funding and institutional management, along with the introduction of the Bologna structure. Nevertheless, the principles which were established previously started to be perceived by many policy makers as outdated, as not being fit for the European reality of the Romanian higher education system.

“Things became even contradictory and there was no vision for higher education. Therefore, it was absolutely necessary to come with a new view on ways in which higher education needs to change.” (Interviewee: A.M.)

This concern led to a more structured approach to higher education reforms. Between 2004 and 2012 five different governments were formed and a surprisingly high number of ministers of education appointed (12 in total). Despite the turbulent political environment the ideas that guided the reforms proved to be rather consistent, which can be accounted for by a coherent policy formulation process and by the key individuals who
The new Romanian higher education policy was formulated over several years and in several steps. In 2006, Mircea Miclea, the former minister of education, was appointed as the chairman of the Presidential Commission for the Analysis and Elaboration of Education and Research Policies. The work of the Presidential Commission was crucial for providing the basis for the up-and-coming higher education policy, managing all of its stages, and some of its members were also actively engaged in its implementation. As a result of the commissions continuous work in 2011 the Romanian government adopted the Law on National Education. The law set in motion a wave of reforms with the clear objective to make Romanian higher education more competitive on a global scale. The core component of the policy was a classification and ranking exercise, which was supposed to diversify the higher education system by providing incentives for institutions to recognize and develop their own distinctive missions. The policy was faced by a lot of criticism, especially by smaller universities.

At the core of these unpopular reforms we can detect an intention to change the existing governance structure of the higher education system. Before the new law was introduced, the relationship between universities and the government of Romania could be characterized as one which relied on negotiations between the two parties. Institutional leadership focused on acquiring inputs that would guarantee the flow of resources from the state, most notably students. Institutional effectiveness and efficiency was determined by the institutions’ ability to uphold the level of inputs. In light of the government’s reform intentions this model became criticized for hampering the quality of teaching and research and thus, gave an impetus to introduce a set of new rules that could incentivize institutions to perform better. Rankings and classifications were chosen as the main instruments to provide transparent information to the government and society at large about the performance of institutions. Evaluation of institutional outputs and competition by comparison have been endorsed as the main elements of the new governance arrangement.

In 2008 the Presidential Commission published a strategy for the development of education. Within it, the commission stated that “The Romanian higher education system is not differentiated according to quality criteria, fact that did not allow a concentration of human, material and financial resources in top universities, an essential condition for attaining an excellence level.” (Education and Research for a Knowledge Society 2008, 28). The document highlighted that public funding should be granted giving priority to institutions, programmes and departments demonstrating high quality in performance while also stressing that “academic mediocrity can no longer be supported with public money” (Education and Research for a Knowledge Society 2008, 29). Within this explanation, differentiation of universities appears as a pre-condition for the concentration of resources (financial, material, and human), which is to be achieved by the implementation of transparency tools. Several actions have been identified in this regard:

- Evaluation of all public and private higher education institutions;
- Evaluation and ranking of study programmes;
- Evaluation and classification of departments/chairs.

The first action argues that the purpose of the evaluation should be to differentiate universities according to the quality of their outputs and processes. It also suggest that the results of the evaluations should be made public and inform the government for future adequate decisions. While the text does not specify what kind of decisions these would be it does mention the consequences for universities that do not satisfy the minimum criteria in this evaluation. Hence, public universities that fail to do so will no longer receive state funding and should either file in bankruptcy or merge with a more competitive institution. Private universities that do not perform at the minimum level will lose the state’s recognition of their diplomas. On the other hand, the best performing universities (either public or private) will have access to a special institutional development fund to boost their performance. Similarly, the result of the ranking of study programmes shall allow the best placed programmes to receive priority in allocating publicly financed study places. In contrast, low ranked programmes will receive less or no public support. The third action relates to the ranking and classification of departments or chairs. As stated in the strategy, universities would be responsible for carrying out the evaluation according to the methodology established by the Ministry of Education, Research, Youth, and Sports. In addition, rectors would be accountable to allocate institutional resources to the most competitive departments or chairs. Those, departments or chairs which are considered as low performers will be subject to a rigorous monitoring for 2
years, following which they will either improve their performance or be dismantled.

These three actions provided the basis for the classification and ranking exercise that followed after the adoption of the Law on National Education (2011). The exercise intended to measure performance at three levels, namely at institutional level, at the level of study programmes, and at the level of departments/chairs. Considering the first level of assessment Romanian universities were classified into three classes following an extensive data collection process ('Law on National Education’ 2011, article 193, §4):

- Education oriented universities (C class);
- Education and research/art universities (B class);
- Universities with advanced research and educational programs (A class).

The categories were considered as nominal cases, without any hierarchy between them. Moreover, the results of it were not supposed to be fixed, rather institutions could constantly seek to improve their positions or change classes. In this regards, and interviewee stated the following:

“… within the disciplines you can move in the rank if you improve your outputs, but also in the classes, provided that several of your disciplines prove to be very good. So classes were considered as being an orientation. You may be part of one class, but that doesn’t mean that all your disciplines are at the top level (…) We were particularly keen on saying these were not frozen categories.” (Interviewee: L.V.)

Beside the classes, the law also sought to establish a ranking of study programmes within their disciplinary fields. It was developed in such a way as to provide information to potential beneficiaries about the level of academic quality in the areas of teaching, research, student services, and so forth. The exact methodology of this ranking was defined by the Ministry of Education and involved 5 levels ranging from A (excellent) to E (poor).

Classification of departments was also prescribed to be done internally by each university every five years ('Law on National Education’ 2011, article 195). This classification would rank department on 5 levels based on their research performance and the results of it would allow institutions to close or reorganize poor performing departments. Despite the fact that departmental classification was explicitly mentioned in the law it was never applied in practice.

To identify which university belongs to which class, as well to rank educational programmes the law required a nation-wide assessment to be conducted ('Law on National Education’ 2011, article 193, §1). The exercise was to be carried out according to the methodology proposed by the Ministry of Education and approved by a Government decision within maximum 6 months from the enactment of the law. Moreover, the ministry was responsible to take full responsibility for performing these assessments periodically ('Law on National Education’ 2011, article 193, §3). Consequently, the assessment was carried out between May and July 2011 and its results were published in October 2011.

Transparency tools as instruments of governance
Based on the design of the classification and ranking exercise it is evident that the purpose of these policy instruments goes beyond simple measurement and assessment of higher education institutions, and could be characterized as governance tools through which the government sought to influence and control the behaviour of higher education institutions.

"Why should you evaluate if you don’t use the ... I mean assessment is not a purpose in itself. We made assessments in order to improve things. Otherwise, why for?” (Interviewee: M.M.)

“So that was the idea in our exercise, to have some policy consequences related to, not just as a transparency tool.” (Interviewee: M.P.)

“And then, there were the consequences, especially for the public universities. For the private, in fact there were no other consequences for this, except that people knew about this. But for the public universities there were
consequences.” (Interviewee: A.M.)

The policy had immediate effects on certain universities. These consequences were geared towards incentivizing universities to perform better, but at the same time limited some universities to perform in certain areas. In this sense, transparency tools were utilized to make the existing differences between higher education institutions more visible and by that justify different levels of funding, favouring especially those universities that could be more competitive on a global scale.

“But the policy makers, those who devised the law, they were aware that in fact there were huge differences between well-established universities, traditional universities, like the University of Bucharest, and new born universities that lacked financial means, human resources, capacity and wanted to call themselves universities and had big research ambitions. And in fact, they wanted to segregate them and say okay, there are well placed universities who focus on research and to develop research and there are other universities that don’t have the means to compete with the first one on research, but they should set themselves other objectives, like doing more education, doing programmes with the local or regional employers, to develop study programmes that are necessary for the labour market and so on.” (Interviewee: M.P.)

“And how can you enhance quality, well by differentiating between clusters of universities and giving them specific mission and allocating money according to different missions. Well, after all anywhere in the world ranking is linked with quality. That’s how the idea was driven.” (Interviewee: M.P.)

Another expectation was to use transparency tools in order to enhance competition among higher education institutions. Competition was to be ensured by the fact that universities and their study programmes would be periodically re-evaluated. The best universities would try to maintain their position, while the weaker institutions would try to improve.

“...if you are re-evaluated then you can lose your position and lose money. If you are better, then you receive more money. So that was the idea. The better you become, the more money you receive.” (Interviewee: M.M.)

This simple economic rationale assumes that competition in higher education works perfectly. In traditional markets, smaller organisations try to differentiate their products to have a competitive advantage. However, in the case of higher education, the product which produces the most benefit is fixed. Research results are the only way to improve in rankings, and trying alternative routes, like excellence in teaching is not going to be as much rewarding as research, at least in terms of public funding. Since public funding makes up the largest share of the budget of public universities the policy could have prohibited weaker institutions from developing alternative ‘portfolios’. These barriers are natural limitations of competition in higher education, which wasn’t really taken into account when developing the policy.

“... they thought that by providing incentives, rational incentives, they will encourage universities to perform better. It’s a discussion whether the playfield was levelled. Because how can a university in a poorer area compete with those in Bucharest. Universities in Bucharest have a long experience, tradition, resources. They can never reach the same level because the gap is already big.” (Interviewee: M.P.)

Universities operate in very different environments, which calls into question whether playing fields are equal. If this is not the case the policy could hardly achieve the level of competition policymakers were hoping for. Nevertheless, the classification of universities and the concentration of public resources was seen as a viable solution for increasing competition across different types of higher education institutions.

Conclusion
According to Edwards, governance is not so much about what organisations do, but how they should do it (Edwards 2000). When the underlying idea about what higher education institutions are or should be changes the likelihood of a governance change increases. More and more, higher education is seen as an economic asset, whose proper functioning is necessary to achieve excellent economic performance. No country can afford to have mediocre higher education. These ideas guided Romanian policymakers who felt an obligation to increase
the efficiency of their national higher education system. They found a source of inspiration in the ideas of New Public Management that advocates a new form of relationship between higher education institutions and the state, characterized by low trust and high accountability. Consequently, the reforms in Romania sought to measure performance and incentivize ‘some’ higher education institutions to perform better. While such motifs could be similar to governance shift observed in other parts of the world, the form of governance advocated for by the Romanian government was a rather unique one, especially considering its extensive reliance on transparency tools. Therefore, it is reasonable to ask how these changes in Romania supplement our understanding of traditional models of governance.

It is evident, that the current higher education reforms in Romania planned to modify the locus of power. The emerging model would rely on a sophisticated system of transparency tools, which could direct institutional behaviour along centrally set performance criteria. In this regard, academic decision making becomes redundant as the criteria for quality and efficiency becomes externally defined, and assessed through a national level comparison and involved a shift from substantive institutional autonomy towards procedural autonomy. Therefore, transparency tools, contrary to some exceptions, strengthened the steering power of the Romanian government while reducing the autonomy of academics and undermining the principle of steering by the market.

While it is still possible to interpret the current reforms as a move towards a minimalist state involvement, it would be a misleading one. As many of the interviewees outlined, the current shift represented actually a more intense state control. This occurred in two ways. First, institutions performance would be assessed more frequently and in a more transparent manner, enabling the government to take immediate actions against low performing institutions, but also justifying resource concentration in a few institutions. Secondly, it sought to evaluate institutional performance against indicators, that have been set by the government, and not necessary by the academics or other stakeholders, such as students or regional authorities. These indicators were developed within a national context, but they are not free from international developments either. The definition of indicators followed global examples of such instruments and universities had to confirm to global expectations concerning the quality of research and teaching. Thus, performance was assessed nationally, but according to rules and criteria that originate from outside (but are legitimatized by the national government). In this regard, the adoption of transparency tool as instruments of governance not just strengthen the influence of the state, but also place the definition of performance into an international context.

In sum, the introduction of transparency tools would have enabled the Romanian government to reassert its role as a governing body. If they were fully applied they could have further instrumentalise universities for national political goals where research and education are increasingly seen as factors of production within a globalized higher education market. Instead of having predefined ‘production targets’ by the government, transparency tools measure performance in a comparative manner. Hence, each institution is a direct competitor to the other. Looking at this model as a purely market driven one would be an overstatement. Again, the power of the government is restored by its ability to define and set the dimensions in which competition is expected to take place, reducing the freedom of institutions to excel in other areas or in alternative forms. This form of competition is more rigid then what we can expect in open markets since institutions are locked into a national grid of classes and rankings.

The evolving argument suggests that the governance structure, which sought to be imposed in Romania, was a hybrid combination of a sovereign state and of a market model, where both the power of the state to stress its expectations, and the power of market competition as an incentive structure for achieving these governmental objectives are visible.

References


