

Chapter 4

THE STATE AND HIGHER EDUCATION

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CHANGES IN THE ROLE OF THE STATE AND THE PLACE OF THE UNIVERSITIES WITHIN IT

In this chapter, we take up the implications of those aspects of policy that can be interpreted as theories of the state and of the university and their role in society.

The starting point for our three national projects was the evident changes in the role of the state promoted by national governments. As major public institutions, universities can be considered either as sub-systems of the state or as independent institutions that nevertheless are strongly affected by the nature of the state. A primary task is therefore to locate universities among the range of public institutions, and to assess how they can be related, if sometimes uncertainly, to a continuum of views about the appropriate role of the state. Therefore, much of our analysis in this book considers whether, if the discretion allowed to universities and the academics who constitute their working base has been increasingly circumscribed, the central tasks of universities (i.e. research and teaching-learning) remain the domain of the prime practitioners, rather than the governing structures.

Taking the UK case first, viewed as a set of public institutions, universities have held a particular place, shared by only a few others, within the range of British governmental arrangements. The British state mediates its policies through what can be described as an organisational zoo in which the different species can be typified in terms of the functions they perform, the power or authority characteristics and the forms of control and dependency which they employ, and the kinds of knowledge on which they depend for their functioning.

At one end of the spectrum of state mechanisms, some public institutions, such as the armed forces, the tax authorities and social security, have direct lines of command to a national authority. This hierarchical structure may be mitigated by the use of wide discretion, as with tax authorities, but, essentially, such organisations act within legal and managerial structures which can be fashioned to meet exclusively policies which are determined on high. Then there are those in an intermediate position, the most obvious of which are local authorities, which are intended to carry out national policies (which have become increasingly prescriptive in the UK since the early 1980s) but with regard to the wishes of their local electorates and on the basis of a high component of professional judgement. At the furthest end of the spectrum are

charter institutions which include the BBC, the national museums and the universities. Their status has been that of almost wholly independent institutions but deferring to public policies which largely constitute the conditions under which the bulk of their resources have been secured.

In Sweden, the situation is significantly different. The civil service's relationship to Ministers is unique in a comparative perspective. With a tradition dating back to the 1600s, the Swedish public administration is organised on the basis of independent civil authorities. There is a division between the Minister (and the Ministry of Education, run by the ruling government and civil servants) and the independent civil authorities (run by general directors and bureaucrats). Thus there is no direct hierarchy, or chain of command, from the Minister to the various general directors. Steering of the public service is achieved by decisions in Parliament and resulting instructions from the government (where the decisions are made on a collective basis, i.e. the individual Minister is not responsible on his own). As Petersson (1993) has indicated, such a system has led to much discussion as to what extent the Ministry has a right to try to influence the civil authorities.

The range of institutions covered by the spectrum of state mechanisms in Sweden is not as wide; there is no equivalent institution to that of the British 'charter institution'. Many scientific and cultural public authorities have however, received greater independence from the parliament and government through new laws, yet their status as 'public authorities' is maintained. Most closely related to the British 'charter institution' is possibly the Swedish 'stiftelse', or foundation, which does have a high degree of independence. This institutional structure is quite rare in Swedish public administration; the change of two universities to this type of status invoked extensive political debate in the early 1990s. (All other universities and colleges in Sweden are 'public authorities'.)

Under the Norwegian ministries one finds different types of institution: directorates, government enterprises, government owned corporate enterprises and independent foundations and other government agencies such as universities and state colleges. The universities are formally government agencies under the Ministry of Education. The degree of autonomy enjoyed by the universities must be seen in a wider public administration context where the question of independent professional judgement has been an important issue since the latter part of the 19th century. It has affected the relationship between the Ministries and subordinate agencies (in particular the directorates and professionally run agencies like those within the national health service). Thus there is a constant tension between the principle of professionally independent judgement and the principle of subordination to superior popularly elected political authorities.

As with the range of institutions, so normative accounts of the appropriate extent of state action, or the values and purposes of the state, can be placed on a spectrum. This goes from the minimalist position advocated by Nozick (1974) in which the state does no more than to protect the natural rights of individuals, through more traditional liberal and conservative thinking, to the maximalist communitarian or absolutist views both of which grant maximum authority to the collectivity. Arguments about higher education's autonomy

may have, indeed, not been too far from the Nozickian view in that they have sometimes included demands for complete freedom from public control, to the extent of arguing for exemption from public audit of the funds originating from the national purse (Kogan 1969).

Recent UK Conservative governments adopted a neo-liberal rhetoric about the desirability of limiting the role of the state. However, this was not entirely consistent with previous conservative thinking; it is worth recalling Scruton's statement that 'the conservative is recognisable as a political animal by his reluctance to effect complete separation between the state and civil society, and that it is as deep an instinct in a conservative as it is in a socialist to resist the champions of "minimal" government' (Scruton 1980: 48). This ambivalence is reflected in, for example, the fluctuations of policy on the extent to which research should be funded from the public purse and directed into 'economically useful' areas.

In Sweden, the Conservative coalition government (1991–1994) also espoused this neo-liberal ideology, strongly advocating that the universities needed to be freed from the grip of the state (the Conservative party had been arguing this since the 1970s). It advocated the freedom of the universities in the quality debate, although it did apply detailed regulation in attempts to evaluate and preserve quality, often justified under the principles of New Public Management. A similar trend was evident in Norway, but not nearly as strongly based on neo-liberal ideology, but more so on the need for renewal of the civil service. Strong arguments for increased decentralisation were combined with more policies for accountability, standardisation, and stronger administrative influence.

Views about the appropriate arrangements for specific institutions are not always consistent with opinions about the degree of state action that is appropriate in the society as a whole. In general the particular nature of higher education, or higher education essentialism, means that in most societies universities have a rather special place.

This has given rise to different models of higher education government. The classic model has been that of the self-regulating higher education institution which sustains its own values and ways of working. The contrast is that of the dependent institution, characterised by higher degrees of dependency and sponsorship and whose objectives might be set externally. It is possible to strip down these models by contrasting their dominant values and client groups and from there deduce internal and external governmental structures.

First, on values, the choice is between those arrangements that lay claim to the disinterested search for truth and those that espouse responsiveness to social and economic needs. Neither value position is exercised absolutely. Ultimately, both models may lay claim to serve the whole society – truth being an indispensable commodity in civilised and efficient living together. The classic model places its boundary in order to safeguard teaching and knowledge generation that show a respect for demonstrated logic and evidence. The dependent institution in claiming to speak of the truth brings in reference groups and definitions beyond the academic.

From modes of knowledge, for example, that which aims at 'the disinterested search for truth' as against 'social and economic responsiveness', we can make connections with modes of power. If good academic work requires freedom to

pursue knowledge without deference to outside users – the claim of blue skies research in the hard sciences and of scholarship in the humanities – it follows that governmental arrangements must be minimal, and subject to minimal external pressures. The collegium is a minimum device for asserting standards and sharing out resources. It does not seek to manage academic work, if by that is meant requiring acceptance of institutionally drawn up objectives. Thus the social arrangements meet the needs of the task. The *raison d'être* of the socially conditioned or dependent institution is that it will read the needs of its client groups and fashion knowledge to meet them.

From these intermediary steps, the ideal patterns of government become clear. On the one side the collegium rules. On the other, the dependent and interactive institution works within a frame set up by society at both the national and governmental level. Throughout the whole spectrum of HEIs, however, there is negotiation between and mixtures of the two positions.

We can fill in this exercise in modelling by noting the range of relationships between government and higher education institutions. They go through the range of self regulation and exchange relationships with sponsors to sponsorship-dependency and hierarchical relationships with sponsors.

It would be facile to assume simple correspondences between these different sets of characteristics though some seem to follow quite easily. Thus self-regulation goes fairly comfortably with collegial-professional modes of government. Modes of operation which stem from modes of government can be multi-valent. For example, evaluation can choose between a host of intentions, value positions and modes: formative/summative; managerial/developmental; internal/external. So can the market, that often is used to mean no more than the use of contractual mechanisms specifying quality, timeliness and cost and which may be free of profit connotations.

On the bases of these ranges, we can generalise about the functions undertaken by government. There have been changes in all three countries, but not all in the same direction. An extended version of this list will be used in Chapter 8 when we consider the extent to which changes have resulted from reform policies:

- between the enabling the evaluative;
- between the facilitatory and the interventionist (Neave and Van Vught 1991);
- between the providing and the regulative;
- between the welfare, deficiency funding and the market driven;
- between the decentralised and the centralised;
- between the professionally and the managerially led system;
- between control by the political and administrative laity and the academic professionals.

NORMATIVE THEORIES OF THE UNIVERSITY

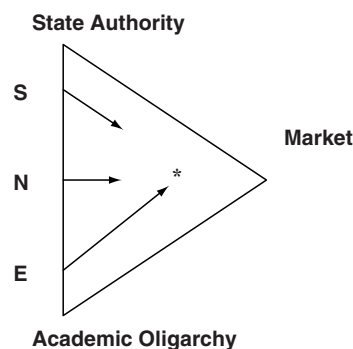
Of all public institutions, the university has been subjected to most analysis of its idiosyncratic nature. In the theory of the independent institution, albeit in receipt of substantial subventions from the public purse, institutional and

professional freedoms are regarded as essential for the pursuit of its purposes. We shall analyse the position of the universities in the light of two different approaches. First we shall use Burton Clark's (1983) triangle to identify coordinating forces within higher education systems. Then we shall look at some dimensions of the concept of autonomy that can help us locate variations in university autonomy across countries and over time.

Clark's triangle (1983) refers to the way in which higher education systems are the resultant of a triangle of forces: professional-collegial; governmental-managerial and market. Becher and Kogan (1992), adapting Premfors, added a welfare state force. This could also be expressed as a civil society force, which might accommodate community, distributive and other welfare functions of higher education. An important subset of Clark's hypothesis is that academics have a dual accountability to their invisible colleges of fellow academics and to their institution.

On the basis of this heuristic it is possible to compare systems and, at any one time, to denote the extent to which one force e.g. managerial as against collegial, or civil society as opposed to market criteria, is driving a system. In the UK, power seems to have shifted from the level of the working academic to that of the institution, the national authorities and the market. This irregularity of pattern in itself demands explanation. The UK began at an opposite corner of Clark's triangle from that of its continental counterparts. It is shifting towards state control, whilst other systems are moving in the opposite direction. In Sweden, given a perspective of over 20 years, it seems that the academics never had much power in policy-making. The shift of power in the late 1980s and start of the 1990s was primarily from the State to the institutions, operating in a quasi-market. Norway, with its previous system of central authorities negotiating with the academics at the individual universities, is now aiming at the market with the university seen as a 'corporate enterprise in the knowledge industry' (Bleiklie *et al.* 2000).

Clark's triangle does not, of itself, entail particular normative positions, but his general corpus of writing falls in with the position taken until recently by that of virtually every other scholar in the field. These entail the socio-technological assumption (Woodward 1965) that the primary modes of production in higher



*Represents a point towards which all three nations may be propelled.

Figure 4.1. Applying Clark's triangle.

education determine the social, and hence governmental, arrangements for that field (see Chapter 1). If we follow this view, since higher education's main activities – research, scholarship and teaching – are essentially individualistic, and depend on the expertise and commitment of creative individuals, its governmental arrangements fall best within the collegial format. A collegium is a minimalist organisation constructed to control standards of entry, to allocate essential common tasks and to distribute resources to its members whilst avoiding control over the amount and nature of the work to be done. By contrast, managerial and hierarchical arrangements assume that there will be policies and objectives set on high which will be disaggregated by academics to whom tasks would be allocated. The professionally led model assumes that collegial arrangements, in which authority and power are shared by academics, are the appropriate way to organise universities. 'Many special characteristics of academic organisations are rooted in the structure of academic work ... the parts of academic systems have grown to be quite fragmented and independent with extreme division of labour and complicating mutual influences on each other' (Hölttä, 1995, quoting Birnbaum 1989 and Clark 1983).

Clark extended these assumptions to his account of the change mechanisms of higher education. These are driven by the way in which knowledge is produced through ever changing and increasing specialisation which constantly generates new forms and boundaries, sub-disciplines and domains. This all happens with scant regard to national government or institutional management. Institutions may develop their own portfolio of values and lay down their own criteria of excellence (Becher and Kogan 1992), but more salient are the criteria and judgements of the international disciplines or the national guilds to which academics belong. Hence process determines structure.

Much the same themes are celebrated by a succession of authors on the organisational and decision-making characteristics of universities. The diffusion and complexity of patterns of authority give rise to the dominant organisational models which accompany the normative political theory of higher education. Collegial, bureaucratic, political and organised anarchy models 'are found in universities, but in different parts, different issues, and at different points in time' (Hölttä 1995). The collegial model is compatible with the model of disciplinary self-governance. In it decision making is characterised by consensus. The bureaucratic model, in which the institution creates rules, regulations and hierarchies to regulate procedures and processes which might assure accountability for the performance of public purposes is also present in virtually all higher education institutions. Within the political model, however, (Baldrige 1971) the university is assumed to be fragmented into specialised groups with divergent interests and preferences and the system therefore depends upon mutual dependency groups and on social exchange. The organised anarchy model (Cohen and March 1974) predicts that organisational action at university is virtually unintentional. Decision making and organisational choice are characterised by the 'garbage can' model (Cohen, March and Olsen 1972). The choices available are determined by the use of the garbage can into which various problems and solutions are dumped by participants. Decision making is individual rather than organisational. At the same time, a university behaving on the model of organised anarchy 'also has formal structures, roles, and eternal regulation

mechanisms for educational and administrative activities' (Hölttä 1995). Garbage can processes are embedded in institutional contexts which affect their outcomes (March and Olsen 1989). Against this traditional normative model we can increasingly set models derived from managerial concepts of higher education, from the pursuit of social concerns derived from access or life-long learning policies or from the burgeoning quality industry. These find expression in some of the prescriptive literature on quality assurance and on effective management on institutions.

It is not easy to distinguish normative from empirical statements in this area. Whilst many of these (mainly American) statements were intended to be analytic descriptions of the nature of higher education based on their understanding of the governmental arrangements demanded by the essential nature of higher education, the analysis usually started from acquaintance with the most prestigious research universities and did not encompass the 'less noble' forms of higher education, such as teacher training institutions or military academies, also usually but not always defined into higher education. The analyses also tended to understate the extent to which some basic units in some subjects were led in hierarchical and even authoritarian ways. It would not be unfair to say that the collegial or anarchic models were based as much on wished-for states as on states that were discoverable in the whole range of institutions. They constituted ideal pictures.

At the empirical level the nature of higher education institutions has, however, seemed to justify unique relationships with the state and perhaps to strengthen the case for claiming a degree of higher education exceptionalism. These features include the central role of knowledge generation and transmission in higher education institutions. We have already noted that the basic argument for autonomy is that the very nature of knowledge generation requires freedom from direction if it is to result in the disinterested and critical search for knowledge. The disinterested search for knowledge also reflects the role of the university as a provider of critical viewpoints in a democratic society. The 'underlying dynamics of knowledge organisation are difficult for the state to contain' (Clark 1983, p.179). However, it is also argued that new forms of knowledge generation increase steerage opportunities (Gibbons *et al.* 1994), although an earlier tradition of 'finalisation theory' (Van den Daele *et al.* 1977; see also Weingart 1997) maintained that the willingness of a field to be steered depended on the paradigmatic stage that had been reached.

Further claims for exceptionalism rest on the long history of some of the institutions which pre-date the existence of national states. This provides them not only with a historically based assumption of the right to autonomy but also considerable immovable assets which provide a degree of protection from state control. In many societies links between universities and other elites defend them from lay interference. There is the perceived importance of higher education to the success of modern economies and the resulting pressures on institutions (see, for example, Becher and Kogan 1992; Salter and Tapper 1994). Some outputs are used directly as consumption benefits and others as part of the production process (Cave *et al.* 1997). Higher education can thus be seen as contributing to both production and consumption as used in Cawson's 1986

model of corporatism (Cawson 1986). The increasing emphasis on the role of graduates in the economy means that higher education can be increasingly seen as part of the supply side of the economy.

But many of these arguments are two-edged. Thus the very importance of universities to the economy favours a stronger degree of public policy influence. Arguments derived from the nature of knowledge production work in favour of autonomy, and arguments from its use argue in favour of state intervention. Moreover, arguments over control need to have some appeal to their political constituencies. In the UK the political constituency coming to higher education's aid and arguing its case for continued protection has been weaker than for the top US universities, which seems to imply that exceptionalism is not entirely carried by force of moral argument but also by the characteristics of the political environment.

Analysts of higher education government must, in fact, look out for a range of normative theories which will develop and change in response to changes in higher education tasks. New Public Management and the Evaluative State start with largely managerial preoccupations. Assumptions about governance connected with powerful drives towards lifelong learning and wider access can be expected to develop and contest the space hitherto occupied by the traditional academic-professional theory.

As we noted above, comparisons of the state's role in relation to higher education in different countries follow closely the style of Clark's Triangle (e.g. Frederiks *et al.* 1994). Analysis of the grip of the state has also utilised Neave and Van Vught's (1994) continuum which has a controlling role for the state at one end and a more liberal supervising role at the other (Richardson and Fielden 1997). These international comparisons usually suggest the UK still gives more autonomy to its universities than most other countries. Historically, we can discern contrasts between the liberal anglo-phone and the continental regimes.

Normative theories can be applied to an analysis of traditional university autonomy in different countries and how the position has changed. Meanings vary according to historical and national perspectives and to the level of the system at which the analysis is being applied. Berdahl (1977) noted that academic freedom and institutional autonomy are not the same thing, and this distinction is borne out by some of our interviewees who believed that the power of the institutions has grown at the expense of individual academic freedom. (See also Tapper and Salter 1995). Berdahl distinguished between academic freedom which belongs to the individual academic, substantive autonomy which is the power of the institution to determine its own goals and programmes, and procedural autonomy which is the power of the institution to determine the means by which its goals and programmes will be pursued. The extent of autonomy can be identified by analysis on several dimensions (Frazer 1997). These include the 1) legal status of an institution – is it recognised as a separate entity; is it free to own property? 2) academic authority – can it make academic awards? 3) mission – does it determine its own goals? 4) governance – who appoints its governing body? 5) financial – is it free to make expenditure decisions? 6) employment – does it employ its own staff? 7) academic decentralisation – does it determine student admissions; must it seek approval for

courses? Does it determine its own curriculum and has it freedom to pursue research? Frazer points out that autonomy must be qualified by some attribute of the institution. Thus in some systems it will be the faculty rather than the institution that possesses the autonomy.

Substantive autonomy can be thought of in terms of a dimension labelled 'purpose', i.e. what the role of higher education in society is or should be along a continuum based on either cultural or utilitarian values. Cultural values would emphasise the disinterested pursuit of knowledge, given the understanding that in such pursuit, the goals of society are best met in the long run. Utilitarian values would on the other hand, emphasise that knowledge should be pursued for the purpose of meeting socially determined goals. Thus cultural values promote some form of autonomy, whereas utilitarian values promote heteronomy in the sense that the pursuit of knowledge is subordinated to some other societal goal.¹

Using Frazer's dimensions of autonomy listed above as a point of departure it is clear that autonomy is intimately related to the distribution of authority from the national government to the institutions, which we will call the 'authority dimension'. In the light of such an authority dimension we may distinguish between universities as state institutions and universities as formally independent charter institutions. These principles constitute two main versions of the European university tradition. Within the continental tradition epitomised by the Humboldtian university, the autonomy of the university is guaranteed and supported by the state mechanisms of ownership and control. In the liberal anglo-saxon tradition autonomy is guaranteed by keeping the universities out of the reach of public authority, but with access to public funding.

By analysing the concept of 'institutional autonomy' within the space constituted by these dimensions, it becomes evident that the degree of institutional autonomy varies among them. Thus, they add depth to the institutional autonomy concept, moving beyond the common conception of institutional autonomy as just related to the vertical shift of authority from a state model to a liberal model (Van Vught 1988), or the conception of institutional autonomy as being related only to the purpose of the university (Tasker and Packham 1990). Rather, institutional autonomy is intricately tied to understandings of both the purpose of higher education and the way in which the state exercises authority.²

The two dimensions of purpose and authority constitute a space within which we may position and compare specific university systems and map their

¹ These dimensions are a modified version of Susan Marton's model of state governance, c.f. Marton, S. (2000) *The Mind of the State: The Politics of University Autonomy in Sweden, 1968-1998*, Göteborg Studies in Political Science, Göteborg University.

² It is important to recognise that although these four types are based on concepts of higher education systems as observed in locations such as Europe, Scandinavia and the United States, they are however theoretical models. The range of theoretically possible choices has been narrowed down to exemplify and epitomise different logics favoured by different systems – but not absolutely or essentially exclusive logics. We recognise that within the same state governing system, mixtures of these models may exist at the same time.

development over time. The Humboldtian model represents the combination of a state model and a cultural purpose. Cardinal Newman's idea of a university combines a cultural purpose with a liberal model. Bernal's (1939) notion of a university in the service of the people within a socialist political order, represents the combination of a utilitarian purpose and state control. Finally a completely customer-dependent, market-controlled university, offering whatever prospective buyers want, represents the combination of utilitarianism and a liberal model.

UNIVERSITIES IN BRITAIN, SWEDEN AND NORWAY: THEIR POSITION AND AUTONOMY

On almost all criteria of autonomy, UK universities have scored high. The concepts of academic freedom and institutional autonomy, as exemplified historically by the role of the University Grants Committee (UGC), were strongly embedded in the British political culture. The traditional autonomy of UK higher education was bolstered by thinking from a wide range of positions on the extent of appropriate state action.

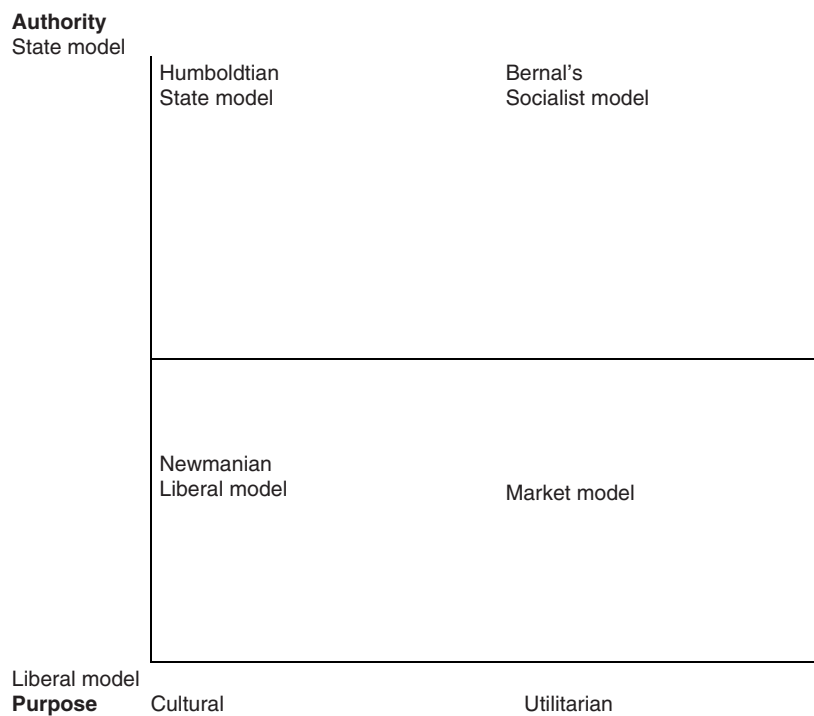


Figure 4.2. Four Types of Institutional Autonomy.

The traditional liberal view of restricting the role of the state in fields such as higher education was stated by John Stuart Mill who claimed the ‘most cogent reason for restricting the interference of government is the great evil of adding unnecessarily to its power’ (1962, p.244). Even for Scruton, with his belief in a role for the state, it is important that universities are autonomous and ‘focused on internal aims’ (1980, p.160). Elsewhere in the book (Chapters 6 and 8) we describe the strong links between universities and other bodies in which members of elites can be found, such as those that existed between the UGC and the Treasury. This played an important part in bolstering the autonomy of universities. Another aspect of this that is seen to be stronger in Britain and other Westminster systems than elsewhere is the role of buffer bodies standing between the state and the universities.

These considerations form part of a general assumption about the role of the UK state. In the UK there existed a broadly held view which regarded education... ‘as ill-served by state intervention.’ (Neave 1988). Instead there developed the idea of the facilitatory state which would provide resources to universities whose freedom would be enjoyed within an area of negotiation largely controlled by the universities themselves. The resulting autonomy was both institutional and individual, and embodied in charters and collegial self-government. More recently, the authority of the state was strengthened by its policies and by the comprehensive use of legislation which before the 1980s was hardly part of the UK scene.

Swedish higher education from the 1970s to the 1990s underwent changes as the overall governance model advocated by the state shifted in ways which significantly made an impact on institutional autonomy.

Changes which primarily characterised the shift in purpose were the emphasis in the 1990s on the needs of a broad ‘knowledge society’ rather than the needs of a narrowly defined job market, along with the relinquishing of the use of the higher education system to reform society, and instead a focus towards the various market demands and the need for ‘academic excellence’. In the 1970s, the higher education system was intricately involved in building the Swedish welfare state. This was reflected in the division of undergraduate education into five major occupational groupings, with a ‘study-line’ system which was to prepare students for the job market (with a heavy emphasis on careers in the public service). In the early 1990s, this line system was abolished (replaced by a new system of degrees) and the strong central-level regulation of course curriculum was significantly lightened. The previously centrally planned curriculum was seen as causing lower competency levels in the Swedish workforce, and thus it was now time to increase the offering of courses to meet the needs of the private sector and of business. Other problems cited by the Minister of Education included the low number of employees in business with academic degrees, the difficulty in transferring research results to high-tech businesses, and the changing composition of the job market, with less than 20% of the work force employed in industry while the service sector was dramatically increasing. To foster more co-operation between the higher education institutions and the business community, the Minister proposed that the universities and colleges be able to conduct research acting as companies and receiving start-up capital from the government.

The shift in authority between the state and the institutions was primarily characterised by the move from a utilitarian state model with centrally regulated and steered institutions to more autonomous institutions, led by powerful institutional leaders who were now to compete in an education market place. Interest representation for trade unions and political authorities was no longer dictated by central regulation. The Minister declared, 'My principal view of the universities and colleges stems from the traditional meaning of the concept of university: an autonomous academy composed of students and teachers who freely choose each other' (Government. Proposition 92/93: 169, p.93). This shift in the distribution of authority between the state and the institutions naturally brought about a change in the authority of the central bureaucracy, with a new emphasis on accountability rather than on planning and managing the system. With the transfer of authority from the central bureaucracy to the individual institutions, the tasks of the university boards changed radically from those of the 1970s when their primary task was to implement centrally determined goals and manage the allocation of resources as prescribed by the central government. Now, increased local freedom to determine the administrative composition of the rector's office at each higher education institution was also stressed, with long-term strategic planning declared as this office's most important task.

Believing that competition would improve quality, one of the most prominent policy changes occurring in the early 1990s was the introduction of a new resource allocation system. The universities now compete at the undergraduate level for students (within the boundaries of top limits still set by the Government) and are allocated money based not just on student enrolment, but also, as we have seen, on the semester-based study results of the students.

Having described these changes along our two dimensions, it becomes evident that the Swedish higher education system has moved from a 'state-utilitarian' governance type towards a more cultural purpose and more market-liberal authority type. Although there has been some retreat from the original intentions of the 1993 reform with the election of a new government in 1994, significant changes in internal organisation and in resource distribution are still making a strong impact on the system today.

The position was historically different in Norway from that in Britain (though somewhat similar to historical development of the Swedish system). Until the post-war period, universities in Norway were essentially directed towards training for the public services and particularly teaching, but much of their post-1945 history has been that of evolving into the more general liberal assumptions of the purposes of universities.

As mentioned previously, Norway had quite a different arrangement for the authority relationship between the State and the higher education institutions, with each institution having its own laws which were negotiated with the central authorities. In the 1990's the universities were incorporated under national legislation for the first time. Yet this did not entail a fundamental shift in the power of the State over the universities, but rather a new, increased authority in the administrative management at the universities appeared. Decentralization measures left more budgetary power to the universities themselves, but as an expanded university bureaucratization occurred, the influence of the disciplines waned. In meeting the needs of the welfare state, Norwegian universities had also been seen as an

intricate component of national employment policies. In order to meet the goals of full employment, the universities had been increasingly regulated by the State in terms of student places. Yet in the 1990s, the proposals from the Hernes Commission broke with this principle, and advocated the use of the higher education system for long-term, strategic needs in the face of international economic competition.

There also appeared to be a shift in the ideas on the purpose of the university in Norway in the 1990s. Moving away from the previous view of the university as a cultural institution, it was now seen more as a 'corporate enterprise' – where emphasis was to be placed on efficiency, consumer orientation and personnel management. There was evidence of greater ambitions to steer research, as basic research funds were increasingly allocated to research programs. In addition, the power of the discipline based units probably diminished as governing bodies (in 1990) were to recognise equal categories of employees (academic staff, administrative staff, students etc.) and external representatives were mandated seats on the university boards (1995).

STRUCTURES OPERATIONALISING RELATIONS BETWEEN THE STATE AND HIGHER EDUCATION

Only in Norway did the state work directly with universities. In the UK and Sweden there were formalised intermediary or buffer bodies: national agencies, funding and research councils, and quality assurance bodies. In all systems, if in differing degrees, the state depended on co-opted elites to provide the academic judgements on which allocative decisions on status or resource could be made. However, as pointed out in Chapter 3, the latter was true for Norway only to the extent that institutional leaders were considered members of such an elite.

Different models evolved with the changing relationships with the state. Members were appointed by Ministers unlike in Germany where members of research councils are elected. This need not affect academic power; the UK's University Grants Committee consisted almost wholly of professors, but appointed by the minister. In the UK, they shifted from being largely academic controlled to being increasingly dominated by governmental and business interests. They used to be mechanisms for reconciling government's policies with academic development. Now they served mainly to recruit academic expertise to the implementation of government policy.

Most funding in Norway and Sweden went directly from the Parliament to the universities; there were no funding councils. The budgets for research councils were also determined by the Parliament. The Swedish Higher Education Agency had no funding functions but was concerned with quality assurance, juridical functions, making investigations and building up information. In the 1990s, the Conservative coalition government created private research foundations, using public funds (called the 'wage-earner's funds', Chapter 3, Bauer *et al.* 1999); their budgets were a percentage of their funds invested in the stock market. When the Social Democratic government returned to power in 1994

they changed the articles of incorporation for these foundations so that appointments to the board would be carried out by the government. As a result, the chairmen of the board of these seven foundations were replaced so that six were led by either politicians or high ranking bureaucrats and one by a professor. New appointments as members of the board allowed increased representation for parliamentarians, bureaucrats and labour union representatives. This trend of increasing political representation on the boards was not evident only in these research foundations, but was also in effect at some of the national research councils (Rothstein in Fridlund and Sandström 2000).

CONCLUSIONS: EXPLAINING HIGHER EDUCATION RELATIONSHIPS AS THE STATE TRANSFORMS

The role of the state changed in all three nations, reflecting ideas about the appropriate level of state intervention in general, and specifically impacting on the relationship between the state and the higher education institutions. The prominent change in the role of the state in Sweden was the move from social corporatism to a more neo-liberal state. In England, whilst also adopting neo-liberal rhetoric, governments seriously reframed the chartered autonomy of universities and ‘nationalised’ them. In Norway there was also a reframing of institutional autonomy, in the sense that the state showed a more active interest in the efficiency and economic usefulness of higher education.

In explaining these changes in relation to the model in Chapter 1 depicting change between T1 and T2 we can discern two primary changes in terms of the shared values that became institutionalised. There were different degrees of support for New Public Management³ and for the shifting conceptions of the type of knowledge needed and the role of knowledge in modern society. This would have to do with for example, in Norway, the belief that more knowledge, basically of almost any type, was always beneficial, and in Sweden, the similar idea that we were living in a ‘knowledge society’. In the UK, the ‘knowledge society’ appeared late in political rhetoric, possibly with the arrival of the labour government in 1997 although the Foresight initiative and the 1993 White Paper aims centred on the exploitation of knowledge. In the 1980s it was skills that were highlighted.

If we look at the other main explanatory variable of actor-context model in Chapter 1, we may raise the question of the role of ‘bounded rational actors’ and preference driven behaviour. The Swedish case displays this type of preference driven behaviour in particular on the policies relating to quality – which were connected to which political party was in power; changes that occurred did so because of party politics. In England, more than elsewhere, ministers and a few other actors adopted a heroic role. Similar individual cases can be identified in the other countries, although for the most part policies were value-structure

³ In the UK NPM may have gained footholds but there was never an explicit commitment to this concept. There may be differences between the UK and the other two countries in their receptiveness to academic conceptualisations of this kind.

driven. Some ministers decisively moulded policy and in doing so only consulted those interest groups who had adopted positions broadly in line with their own preferences. In Norway, policies evolved more consensually and gradually.

As already demonstrated in Chapter 3, higher education policies and the changes in them are not the result of one or the other of preference driven or value structure driven processes, but rather the interaction of the two.

SOME QUESTIONS FOR FURTHER EXPLORATION

Elsewhere (Chapter 7) we consider the impact of reforms on knowledge creation and control. Here we conjecture that there are relationships between the types of knowledge generated and the higher education organisation required to sustain them (Becher 1989; Bernstein 1963). Forms of knowledge, hard or soft, the collected or the integrated curriculum, affect and are affected by its social or organisational forms. It may not be fanciful to assume that if certain types of knowledge are promoted by government that will affect the nature of government itself.

Thus the 'collected' curriculum is likely to be regulated by less hierarchical structures than would be the 'integrated' curriculum. Where a form of knowledge is provisional or contestable (soft) and not based on pyramids of paradigms and clear evidence (hard) the system governing it will be less determinate. The movement away from disciplines towards areas of study weakens subject boundaries and the forms of academic control over them. It follows that higher education organisation, such as decentralisation, binary systems, more power to rectors, are/should be determined in part by the extent to which they are applicable to the knowledge structures implicit in teaching and research.

The assumption, taken from Geertz (1964) and Archer (1979), that forms of knowledge, feeling or value become shaped and structured into procedures, processes and structures, supports the traditional theory of higher education. The basic generative process in higher education thus links the relative freedom of the individual academic, to follow their own curiosity and exercise their own expertise, with institutional requirements for collective decision-making and rule-setting. Henkel *et al.* (2000), in their evaluation of the Foresight initiative in the UK, have noted how government-steered science policies had in the past often been met with academic scepticism on the grounds that they conflicted with the norms of scientific activity and with well-established beliefs about how science works (Polanyi 1962).

Scientists, philosophers of science and economists tend to stress the logical relationship between epistemologies, the values of scientists and other academics and the distinctive organisational structures within which they work (Dasgupta and David 1994; David 1996; Polanyi 1962). Sociologists of science, though initially promoting these ideas (Merton's classic statement, 1973), later emphasised the influence upon academic values and agendas of dominant societal values and of authority and power and reward structures (Mulkay 1977).

It could be assumed, therefore, that government's preferences for particular kinds of knowledge – that which is useful and likely to appeal to the market – will also affect its view of its relationship with universities and its view of how universities should be organised. If it expects universities to be visibly and calculably productive, its perception of them moves from that of the chartered institution driven by intellectual curiosity, and either towards a more hierarchical model of relationships with the state and a managerial view of university internal government, or in the other direction to more market styles of activity and organisation.

Current emphases on particular policy dimensions – life long learning, internationalisation and the like – illustrate how the governmental agenda may differ from those of the ablest academics. If the positions were negotiable, there would no harm in both sets of perspectives coming to the fore. But the increased power of government makes that unlikely.

A further area on which our three national projects did not make a systematic attempt was an assessment of the impact of changes on the machinery and functioning of government itself. We regard this, however, as an important task for political science. Here we merely note our own largely conjectural assumptions in the hope of opening up the subject for future research and analysis.

As governments change to a more determined role, whether facilitatory or command in purpose, this will produce a problem of governability, even when most of the strain is taken by intermediary bodies. It would follow that the assertion of determined policies should require a growth in government's capacity to know the characteristics of the system, its costs, accesses and outcomes.

In fact, government does have more data now because evaluation, quality assurance and selective research allocations entail a growth of knowledge seeking and using capacity. If so how do we typify the kinds of expertise grown by government, if any? What are the backgrounds, expertise and attitudes? How is governmental knowledge distributed, used and organised? Answering these questions in future research projects should shed some light on the changing role of the State in higher education policy making.