

Chapter 4

Italy: Local Policy Legacy and Moving to an ‘In Between’ Configuration

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4.1 Introduction: Moving to Governmental Reform in the 1990s

The aim of this chapter is to highlight the transformation of the relationship between state and university in Italy following the introduction of autonomy-accountability principles for university governance.

The questions addressed include: how can we interpret the changes in state and university relations in Italy?, or, in other words, what kind of governance model emerged from the reform? Did government policies aimed at reforming the university system break down the existing system of values, norms and practices?, or did they result in slow adaptations to the new environment? (March and Olsen, 1989) Regarding university governance mechanisms, did the policy’s legacy constrain reform of the Italian Higher Education system?

In the early 1990s Italy, like many other European countries, began a broad reform process devoted to reorganizing the whole administrative system (architecture, mission, rules, organizational and management models), which involved national and local government and public services as well as schools and universities. The rationale of this reform involved the need to modernize the public administration, to reduce the size of government, to introduce management for results in place of management for process, to establish accountability, transparency and responsiveness as the main driving principles of public management (Bassanini, 2000). The centre-left government, led by Amato and Ciampi (1992–1994) initiated this period of reform in Italy. As the OECD Report outlined, five major governmental policies stand out: (1) reform of the state’s intervention in the economy, (2) management and control of the public budget, (3) simplification of the public administration, (4) “reorganization” and management of the legal and regulatory system, and (5) balance between the central and sub-national government (OECD, 2001, see also Reborà, 1999).

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The reform process was further implemented and reinforced by the new centre-left coalition (1996–2001), which launched a general reform of the Public Administration in Italy, with the so-called “Bassanini law” (l. 59/1997). This law decentralized administrative activity following the principle of subsidiarity. The law revised traditional bureaucratic activity, which also affected the higher education system, by enlarging the sphere of action transferred by the State to the universities. The reform also definitively introduced the concept of accountability, as means to guarantee the responsibility and transparency of administrative activity (OECD, 2001).

Looking at the way in which the reform was designed and then applied in the context of the Public Administration, it was noted that law 59/1997 introduced some measures that were part of the New Public Management (NPM) narrative, but only items compatible with the Italian administrative tradition were able to be implemented (Capano, 2003). In accordance with this approach, in Italy the implementation phase of the reform was characterized by a re-contextualisation of NPM concepts and instruments, which were harmonized with existing ones strongly dominated by the principle of legality (law as the basis of the administrative action). So, “the contents and strategy of reforms did not represent a paradigmatic about-turn, but constituted an evolutionary adaptation to external pressures imposed by hegemonic administrative paradigm” (Capano, 2003).

Other authors assume the implementation of reforms largely determined by the features of *regime-type*, affecting the reform capacity of a country (Pollitt and Bouckear, 2002). According to Ongaro and Vallotti (2008), the Italian regime-type is characterized by a quasi-federal structure of the State, with weak horizontal coordination of government and a majority convention in governance, but based on very broad coalitions which make the composition of interests difficult. The culture of governance is highly legalistic, and the possibility of implementing radical, intense, wide and uniform public management reforms is limited. Moreover, the Napoleonic administrative tradition, tending toward uniformity of administrative action, contrasts with the adoption of performance measures. These factors, combined with the low management capacity of the public sector,¹ explained the gap between the rhetoric of the reforms and the effectiveness of their implementation.

We try here to understand if changes in the HE system since the 1990s can be labelled as an NPM shift in government paradigm and if other paradigms emerged, such as the Network Governance System (NG), to counterbalance the push toward NPM. We argue that in Italian Universities there occurred a hybrid path to change, where some NPM ideas were introduced but in coexistence with local practices. Thus we saw strong path dependence rather than overall transformation, and a partial shift from a continental model to a new pattern incorporating some NPM logic. This pattern of change did not pass with the emergence of a network governance

¹Management capacity is defined by the quoted authors as “the (cumulative) effect of the actual utilisation of management systems (tools), which make the individual public sector organisation more apt ... to the organisational environment and more capable of implementing further management reforms” (Ongaro and Valotti, 2008).

model. A large group of traditional and new actors, coordinating their actions through horizontal channels, developing self-steering and self-organizing capabilities, did not come forth, and the state did not assume the role of relationship facilitator.

This work is based on literature related to the steering of the Italian Universities, and on governmental acts (laws and related official documents) which modified the relationship between government and the universities over a 20 year period (between 1980 and 2005). Particular attention is given to funding rules and procedures and doctoral programmes as two indicators of changes in university steering.

The chapter is divided into six parts. The second section describes the relations between the state and the universities in a historical perspective, to better understand the characteristics of the Italian University system. In the third section, the character of the reform process from the 1990s is outlined. The fourth section discusses the change that occurred, on the basis of the most recent analyses of Italy, at national and international level. In this section we highlight how the political legacy affected the application of reform. In the fifth section, we focus on new funding schemes for universities emerging from the 1990s, and their connection to evaluation practice, while in the sixth section university steering is discussed through an analysis of doctoral programmes.

4.2 Changes in the Relations Between the Italian State and Universities – A Historical Perspective

The Italian Higher Education system is organized as a binary system composed of Universities (78 in 2004) and other academic institutions.² Universities dominate the HE system in terms of resources invested. They include principally: State Universities (55), some Non-State universities (14) and Polytechnics (3). Universities have different profiles according to age (old or new), size (large, medium and small), location (northern, central and southern Italy), disciplinary specialization (general university, covering all scientific areas *vs* specialized universities, in which resources are concentrated in few disciplinary areas), and history. Although these features shape institutions very differently all universities are regulated by common rules provided by the Government, in accordance with the principle of equality, which assumes the homogeneity of their educational and research capacity. This implies similar governance arrangements a Rector, elected by the professors, and two governing bodies the *Senato*, composed of professors, and the *Consiglio di Amministrazione*, with a mixed composition of professors, student representatives, administrative and technical staff, and external stakeholders.

Universities in Italy are heavily dependent on Government funding (through competitive and non competitive mechanisms of allocation), which represented

²HE in art and music, HE in language mediation, higher integrated education, and a few specific fields (e.g. archiving and diplomatics).

67% of total University budget in 2001, and 62.6% in 2004.³ The role of regional authorities in University organization remains limited. Representatives of local government are included in the *Consiglio*, but this inclusion only rarely produced effective results in terms of funding or institutional innovation, principally when there is a convergence of favourable local economic conditions with the presence of universities boasting innovative organizational assets (such as in Trentino Alto Adige).

Universities interact directly with the Government, but they have also two representative bodies: the Conference of the Rectors (CRUI), which acts as a buffer institution between government and the universities, and the National University Council (CUN), which advises Government on curricula, recruitment of professors and discipline.

In this work we focus on the relations between the state and the universities, which are shaped, overall, through the level of autonomy and responsibility attributed *de facto* by the former to the latter, and by the universities to their internal sub-levels of organization.⁴ The concept of autonomy is not a simple one to treat, since it may cover very different meanings. We describe autonomy as the decision-making power given by the State to the university to manage its own affairs (personnel, funding, organization, and internal governance).

According to the “Clark approach”, authority may be granted at three main and differentiated levels (Clark, 1983): the basic units (professors, or the collective representatives of professors and peers, such as departments or faculties); the university bureaucratic apparatus and trusteeships, and the governmental political and administrative authorities. Differences in combination of authority’s distribution, within the described levels, shape the model of university. The “continental model”, which in Europe until the 1980s, was characterized by a combination of academic corporation and governmental bureaucracy, while the role of the university-institutional level was weak, because of the absence of trustees and the substantial role played by academic corporations.

Different types of autonomy granted to the universities. The literature (Berdahl, 1990) distinguishes substantive autonomy (such as the power of institutions to determine the content of their activity, i.e. aims, research programs, curricula) from procedural autonomy (such as the power of institutions to define only the instruments for pursuing their aims and programs). Finally, the co-ordination of higher education systems could be described on the basis of the relevance given to the State, the market or the academic oligarchy. In the first case, if the State plays a central role, we can find centralized systems, where Universities are conceived as homogeneous bodies without any autonomy, or, alternatively, the State may play

³Other key figures for the Italian Universities in 2003 (academic year 2003/2004) include: €10,474 million of general funding, 1,709,021 students, 164,375 graduates, 54,329 professors and researchers.

⁴Many scholars underlined that university autonomy should be “contextually and politically defined” (Neave, 1988), since it is possible to have a gap between the power accorded by law to the university and the effective room for that power to be exerted.

the role of supervisor, by fixing the general principles for the functioning of the system, leaving the institutions free to regulate themselves (Van Vught, 1993).

Musselin proposed a different approach to studying the relationship between the state and universities, based on “university configurations” aimed at analysing “how three types of collective action – those of universities, the overseeing authorities, and the academic professor – fit and function together”. Configurations are a framework within which interdependencies are described, but they are not determining structures, which control the behaviour of their protagonists, nor do they imply a substantive content: they only circumscribe behaviour without prescribing behaviour. This approach assumes the possibility of a high level of heterogeneity in the roles, purposes and functions of academics, universities and the state. The university configurations are subjects of research, which must be based on empirical evidence, to disclose the nature and content of interdependencies which structure a given configuration (Musselin, 2004). The advantage of this approach is that it enables us to understand why countries which share some basic characteristics in the three types of collective action are so different in coordination practices (e.g. there are strong differences between Germany and Italy, although professors in Germany have a position as strong as those in Italy).

4.2.1 The Classical Italian University Model: From 1859 to the End of 1980

The Italian university built its essential characteristics in the period from the middle of the nineteenth century to 1938, through certain government provisions (Capano, 1998; Giglioli, 1979; Miozzi, 1993). The first is the Casati Law of 1859: the university is considered an institution devoted to education of the *élite*, of the future ruling class of the country. Relations with the state were regulated on the basis of a centralized model, and the university had no autonomy at all. Subsequently the Gentile Law of 1929 tried to introduce a certain degree of procedural autonomy within the University by pursuing a policy for the differentiation of universities on the basis of their specific given missions (education, research, professional training). However, the state maintained a strong power of control over the higher education system, but there was an attempt to identify different educational models for diverse kinds of user.

During the 1960s, the Italian higher education system underwent a substantial quantitative expansion in terms of both students and institutions.⁵ The same process has been undergone by many European higher educational systems and which led

⁵A few figures are sufficient to describe the phenomenon. The growth of the university students enrolled in the period 1950–1960 was a percentage of 18.3%, the figure for the period 1960–1970 was 136.7%, while in the period 1970–1980 the growth was 37.9%. Furthermore, the ratio students/teachers is 16/1 in 1950, 18/9 in 1970 and 24/2 in 1980 (Capano, 1998).

to a process of institutionalisation of higher education policy (Trow, 1974; Valimaa, 1999; Clark, 1983).

The Government reacted to the phenomenon of expansion by reinforcing existing institutional assets, but a notable enlargement of the teaching component occurred, and this enlargement started to modify the consolidated balance of power within the academic community. While in other European countries new models of organization were experienced to better meet growing social demand for higher education, in Italy, no significant changes affected the relationship between the university and state in facing the problem. In this period all elements of autonomy in teaching activities introduced by the Gentile Law were eliminated, and a completely centralized system of state-university relations took its place.⁶

The 1970s represented the first turning point in European higher education policies. A financial crisis prompted states to enhance the quality, efficiency and effectiveness of universities, and new priorities regarding rationalisation of the existing organization models emerged. The 1970s were characterized by powerful social and political tensions, and by the emergence of terrorism. In the HE system, demands for democratisation and standardisation were accompanied by a further increase in the number of professors.⁷ These trends, though calling into question the authority of the academic oligarchy and the governance of HEIs, did not produce substantial structural change. The HE system showed a great ability to avoid change and maintain its key features:

1. The complete identification of the higher education system with the universities, without diversification of institutions to satisfy new higher educational needs. Moreover, the role of the research activity, was confirmed as fundamental for all universities.
2. The absence of differences in academic qualifications in tertiary education.
3. The absence of procedural and substantive autonomy in the universities, justified on the basis of the interpretation given to the basic principle of the equality of rights.

The principal consequences were: (a) the absence of differentiation between universities on the basis of their specific missions and their territorial embedding (Reale, 1992); (b) the assumption that the quality of educational programs offered by Italian universities should be considered as equal throughout the national territory – with an implicit justification for the attribution of a legal value to university academic qualifications; and (c) the absence of efficiency and effectiveness as criteria for the evaluation of both the teaching and research activities.

HE policy in this period concentrated substantially on solving the problem of the status of the teaching personnel, which grew greatly in number during the 1970s.

⁶The De Vecchi Decrees 1071/1935 and 2044/1935 and Bottai Decrees 1269/1938 and 1652/1938.

⁷Demands for democratisation included increased importance of students in the governance of the Universities, the freedom to follow any kind of course irrespective of diplomas of students and new participatory mechanisms in internal decision making.

4.2.2 *A Changing Higher Education System: The 1980s*

Beginning in the 1980s, some European countries experimented, to greater or lesser effect, with a shift from higher education policies driven by social demand, to market-driven policies, seeking the correlation of educational supply to the needs of the economic system (Goedegebuure, 1993; van Vught, 1993). The change in higher education governance consisted in giving procedural autonomy to the universities, while the state retained the power to determine the objectives, constraints and incentives which conditioned the room for manoeuvre left to the higher education institutions.

In Italy this process came forth, but brought with it some contradictions. The country ended a phase that had been characterized by the incapacity of the state to introduce a general reform of the higher education system. Decree n. 382/1980 established some important novelties to university organization, aimed at giving a certain level of procedural autonomy, but it was again unable to define structural changes in the higher education system (Capano, 1998; Moscati, 1991).

The mechanism for the assumption of university professors and researchers remained centralized at state level. The only governmental advisory body for higher education policy was the National Universities Committee (CUN), whose members were elected by the professors, and represented the disciplines and not the universities. These features confirm the so called "corporation principle" which conditioned relations between the State and the universities in Italy: a powerful control of the State over the university budget alongside the substantial power of the professors, who organized themselves as an inter-institutional, horizontal corporate body (the so called *baroni*).

The governance of higher education in Italy remained linked to the "continental" model elaborated by Clark (Clark, 1983): rigorous centralisation of power in the hands of the state, which retained formal control over funding, the status of personnel and their careers and the curricula. The power of the national bureaucracy (which handled legal control over administrative procedures) comes with the absence of any authority granted to the University level, and with the weakness of the intermediate levels within the universities (faculties for co-ordinating the different disciplinary areas, and the departments for management of research activities). As many analyses pointed out, universities were dominated by professors, who had under their control the whole organization of the primary functions of the institution, that is education and research (Giglioli, 1979; Clark, 1977; Moscati, 1993; De Francesco and Trivellato, 1985; Benadusi, 1997), and used this power to augment individual privileges of the academic profession.

This asset of academic power was a common experience in European countries. The Italian peculiarity is the persistence of this model over 20 years, and the absence of structural changes in the face of important transformations affecting the social and economic demand on higher education (Capano, 1998). The compromise between central bureaucracy and the academic guilds composed of professors did not end with the standardisation of the university, even some factors of change may be identified:

- The increase in the number of professors and the establishment of different levels in the academic career, with the professors at lower levels asking for a representation on the university governing bodies. This implied further fragmentation in the distribution of power.
- The addition of students' representatives to university governing bodies, as well as representatives of trade unions, who are supposed to work to limit the power of professors.
- The scarcity of resources given by the State to the universities, which have to cope with a growing demand for higher education.
- The subsequent reduction in the productivity of the university system (in terms of the ratio between students enrolled and students graduating).

The aforementioned elements contributed to erode the institutionalized norms and practices, considered by a growing number of professors, stakeholders and policy makers as inadequate to the changing environment. The concept of autonomy as new principle for regulating this relationship emerged only in the second half of the 1980s, and it was introduced for the first time with Law no.168/1989.

4.3 The Turning Point of the 1990s and the New Autonomy-Accountability Principle

If the 1960s and 1970s were characterized by the phenomenon of “standardisation” in higher education, which added force to a deep transformation of the system, changes in the 1990s were mainly driven by efficiency-effectiveness principles and by the social demand for a greater accountability of universities. The importance of institutions' autonomy and flexibility improved, enhancing the competition amongst them. Major trends identified were: heterogeneity of mission and functions, decentralisation of responsibilities and (sometime) powers and marketing. The State tended to modify its position by assuming steering from a distance “setting the legal and financial boundaries and using instruments of quality control” (Enders, 2000).

4.3.1 The Reforms of the 1990s

New values, norms and practices emerging at the European level, as well as overcoming reduction in State funding and the substantial enlargement of the HE system,⁸ produced an effect even in Italy. Law 168/1989 passed, introducing important structural changes

⁸ A few indicators show the quantitative change in HEIs: in 1980 University R&D expenditure was €842 million (1995 prices), the number of professors 42,033 (full time or equivalent) and the ratio Student/Teacher was 26/7. In 2000 the quoted figures were, respectively, €3,361 million, 55,230 professors, 33/7 students per teacher (source: Istat).

in the higher education sector in terms of the distribution of authority, the degree of autonomy of the institutions and mechanisms of co-ordination.⁹ Firstly, the establishment of the Ministry for Universities and Research (MURST, later becoming MIUR, now MiUR), as the principal State authority for governing and funding the national research system; secondly, the acknowledgement of the autonomy (procedural and to a large extent substantial) of the universities which should go with the setting up of an evaluation system. Thirdly, important spheres of power remained in the hands of the state, such as the design of the rules for staff recruitment, status and salaries, the contents of the national curricula and the discipline for doctorates, several constraints on the possibility of attracting external resources (i.e. a ceiling on tuition fees), as well as on the power to decide limits on access to degree courses.

The reform was fundamentally supported by the desire to make the university system more flexible and competitive at both national and international levels, thus starting a new phase in higher education policy. Political debate emphasized the need for regulatory reform in Italy, and informed Law 168/1989 as well as the reforms of the 1990s aimed at breaking the previous status and public administration.¹⁰ The government considered substantial autonomy and accountability the instruments to achieve those aims. However, limitations on the realisation of complete autonomy served to reassure the academic oligarchy that some fundamental features of the system (collegiality, bureaucracy) would not be threatened.

Law 168/1989 did not immediately produce effects, because its internal ambiguity regarding the scope of power transferred to the universities, because of the absence of a specific regulation circumscribing the room for action left to Universities, and because of the resistance it met from the administrative bureaucracy and professors to its implementation (Cassese, 2000). Despite the likelihood of resistance, both external and internal factors forced changes. Such external factors as the Bologna process drove universities to modify curricula, by differentiating them according to existing educational needs, attempting to eliminate dropping out and reducing the number of students not graduating promptly. Internal factors include the fact that HEIs were progressively more involved in European programmes for research and student mobility, with substantial improvement of the internationalisation process in some disciplinary areas.

In the mid 1990s new rules provided for the implementation of Law 168/1989. The budget laws for 1994 and 1996¹¹ defined the basic discipline of university

⁹The initiative was taken by Antonio Ruberti, a University professor who acted as Minister for Universities and Research in two left-of-centre government coalitions led by Ciriaco De Mita (1987–1989) and by Giulio Andreotti (1989–1992) respectively, and who greatly influenced the HE reform process.

¹⁰Some authors spoke of the “fortuitous” approval of law 168, being due to a “favourable political conjuncture, with the opening of a policy window which a policy entrepreneur ... was able to capitalise on” (Capano, 1999).

¹¹L. 537/1993 and l. 549/1995.

financial autonomy. These provisions established the responsibility of universities for the allocation of resources given by the State (a change from line-item budgeting to lump-sum budgeting). Furthermore, the universities became responsible for decisions over the composition of its teaching personnel (the number of teacher needed, qualifications requested, distribution by professional level and recruitment policies). The State pursued the effectiveness of autonomy-accountability with a new entity, the *Osservatorio* of the Universities, responsible for the evaluation of both teaching and research functions, and by the establishment of “Units of Internal Evaluation” within each University whose aim was to provide cost-benefit analyses to assess the efficiency and effectiveness of university teaching and research expenditure. Although, these provisions implied a limitation on organizational autonomy, the universities remained free to determine the composition (which competencies, which members and how many) and the positioning of the Units within the internal organization.

Osservatorio tried to develop the assessment of the Universities by applying quantitative parameters for measuring the functions performed. Some authors underlined limitations affecting and reducing the effectiveness of its activity. First of all, *Osservatorio* was in charge of evaluating the whole University system, without commitment to the evaluation of individual institutions (Finocchi and Mari, 2000). Secondly, evaluation was not conceived as a means of enhancing competition among universities, or as an instrument for steering the system, but as a way of improving awareness and knowledge of the results obtained, basically ineffective in terms of modifying of the behaviour of protagonists (Boffo and Moscati, 1998).

Reform of the universities was further implemented at the end of the 1990s. Two different levels of degree (*Laurea* and *Laurea specialistica*) were introduced, as well as a revision of the contents of curricula, definition of the credit system along with the Bologna process, the provision of minimum standards requisite for the activation of each course, and regulation of doctoral courses.¹² Recruitment of professors was decentralized to university level. Furthermore, the *Osservatorio* for the evaluation of universities was transformed into a National Committee for the Evaluation of Universities (CNVSU),¹³ a technical organ attached to MiUR, in charge for the evaluation of the higher education system. Government rationale held that evaluation should become a compulsory duty for universities, which should, on the one hand, accomplish evaluation procedures set up by the CNVSU (i.e. student satisfaction, Ph.D. course assessment) on the basis of a top-down approach, on the other hand, universities ought to adopt internal schemes for assessing the efficiency of both teaching and research activity and results. The CNVSU mission was clarified in many respects. In each university a *Nucleo di Valutazione* (NUV) was established, replacing the Units for Internal Evaluation, both for overall performance assessment as well as supplying data, information and analysis to the CNVSU. Universities were committed to modifying their Statutes to

¹²L. 127/1997.

¹³L. 370/1999.

comply with their obligation to introduce this new body into their organization. Administrative responsibilities were largely transferred by the central administration to universities for their internal management.

The rationale of these regulations was deeply influenced by the NPM narrative, where State rhetoric stressed the need for universities to develop their management capacity towards efficiency and effectiveness in the use of public resources, to become more entrepreneurial to win resources from external sources of funding, to attract students, and to competitively provide services and knowledge useful in economic and social development. Meantime, those powers remaining with the State (i.e. rules for recruitment, salaries of the professors, ceiling for tax on students and for the expenditure on personnel, and basic rules for the HEI's government bodies) were not transferred to the universities, and inadequate additional financial resources support the reform process. Thus, government action tended to further limit the organizational room for manoeuvre of universities, and relations between the two remained more linked to a command and control policy scheme than to one of self-regulation as would have been expected. Resistance to reform came not only from academics (see Section 4.4) but also from the State, because the paradigmatic about-turn in the way public authorities were organized and in their culture did not occur.

4.3.2 The Twenty-First Century and New Steering Instruments

In the first years of the twenty-first century, the new right centre government led by Silvio Berlusconi (2001–2006) reinforced this last tendency. The NPM discourse was strengthened, with a forceful request for efficiency, effectiveness and accountability, as well as the market orientation of universities. An external drive profoundly affecting government decision-making was the launch of the Lisbon strategy, the 3% Action Plan, which supplied the rationale for further policy implementation. More recently, the elaboration of international university rankings affected both the government and HEIs, by increasing competition for visibility abroad.

Formal links between the performance assessment of teaching activities and resource allocation have been settled upon.¹⁴ The funding model was transformed, new regulations for connecting university performance in education with funding¹⁵ established, and new competitive instruments for research funding introduced (see Section 4.5). All universities and public research agencies were subject to the first National Evaluation Exercise for Research (VTR), launched by the Government, and managed by the National Committee for the Evaluation of Research (CIVR). Following the example of other European research assessment systems, the Government's aim was to draw up a new, robust, general assessment of the quality of each disciplinary

¹⁴Decree 115/2001.

¹⁵Decree 165/2001.

area, as well as ranking institutions according to a scale of international excellence. The results of this exercise, which ended in 2006, were supposed to influence the Government's funding allocation, as well as providing information for the further structuring of research evaluation. However, its impact on resource allocation was modest.

Further, the minimum standard requirements for courses were revised,¹⁶ and a set of rules was established for the formulation of a university 3-year plan.¹⁷ The possibility for universities to obtain core funding from the state now depends on the government's positive judgement of the plan. Also, the authority to recruit personnel is linked to acceptance of the plan's provisions, and is subject to a specific budget constraint: the total cost of university personnel should not exceed 90% of the General University Fund total.

To summarize, policy rhetoric stressed the introduction of managerial principles, but all the reforms embarked on by government in this period reveal a position in which the state wants to play the role of controller of public action rather than that of supervisor or facilitator. A model for steering at distance was not in place, and there emerged a trend toward the restoration of centralized powers with a top-down approach in relations with the university system. The attempt at centralization entails Government more in improving means of ex-ante control (standards and minimum requirements) than pursuing effectiveness of ex-post evaluation practices.

4.4 National Policy Legacy and Changes in Governance Mode

Despite the implementation of the reform policy, from the 1990s the effectiveness of the autonomy-accountability principle remained weak.

On the one hand, from the mid-1990s, the university acquired new room for manoeuvre, i.e. the choice of curricula content, credit attribution to attract external funding, determination of research programme content and internal allocation of financial and human resources.

On the other, inconsistencies in government policies did not result in significant differentiation between the universities in terms of mission, organization and governance, but only slow adaptation to the changing environment. Inconsistencies included: (a) the decentralisation process, which excluded important aspects of the academic regulation, (b) the set of incentives implemented by the Government to steer the university behaviour, and (c) the effectiveness of evaluation outcome on resource allocation.

Moreover, these uncertainties did not characterize one government. On the contrary, despite changes in governmental coalitions there is clear continuity in the minimal capacity of the state to implement what it decided. This feature, which

¹⁶ Decree 15/2005.

¹⁷ Law 43/2005.

contributes to shaping the Italian University configuration, can be explained by the permanence of the strong influence of the academic oligarchy, and by the lack of adaptation of the administrative and political protagonists actions to the new principles and rationale, which are the content of the NPM reform.

Some empirical controls have been carried out on the basis of the University Statutes approved following the introduction of the new regime of autonomy (Finocchi, 2000; Fassari, 2004). The Statutes are mainly devoted to designing the internal system of government of the universities, the distribution of power and competence among different organs, and the basic rules for internal performance assessment. The analysis of contents shows that both the decisional processes (government bodies, nomination to high level positions, and criteria for the election of the faculty heads and of the departmental directors), and the structure of organizational areas (autonomy of the basic units, evaluation systems, and external relationships), are characterized by a high level of compliance with the government model recommended by the state (vertical isomorphism), and by imitative processes between different universities (horizontal isomorphism), which generates strong homogeneity of the Statutes (Fassari, 2004, see also Powell and Di Maggio, 1991). It was argued that this result depends partly on the legal constraints, which determined some compulsory content to the Statutes (Cassese, 2000). The same author emphasized also that the room for manoeuvre of universities – which comprises all items not regulated by the State – is significant. Thus, the scope for autonomy left to the universities was large enough, and the Statutes could, if properly designed, represent a useful means to the end of university differentiation.

However, breaks in continuity from the past, in terms of diversification of functions and organization, can be detected (Fassari, 2004). The students' representative and researcher components in the government bodies were strengthened, the *Consiglio di Amministrazione* (Administration Board) and NUV often include the participation of stakeholders or external members the NUV's position and role within universities was definitively institutionalized, and new organs (TNO, ILO, etc.) were created to facilitate the exercise of those new functions transferred to universities (monitoring, relationships with society, technology transfer, evaluation of research results, professional training, students services, etc.).

Nonetheless, a series of provisions regarding decision-making mechanisms and internal organization are lacking (decentralisation of power to the internal basic units, self evaluation processes based on autonomously established procedures, integration of specialized competence and specific tools for university management). The analysis, developed on the basis of a sample of statutes, to better understand the characteristics of internal governance (Paletta, 2004), highlighted the functional specialisation of the two principal governing bodies, the *Senato Accademico* and the *Consiglio di Amministrazione*, the former representing, mainly, academia, the latter the stakeholders.

In practice, a large scale isomorphism in composition and functioning of the two bodies may be observed, as well as growth in the complexity of university management, and the need for more effective co-ordination, to reduce the overload on central

decision-making. Furthermore, innovative models of governance appeared in rare cases. They tended mainly to reduce the number of components of both the *Senato* and *Consiglio*, or, in other cases, to initiate experiments for decentralising power, or for forming a model based on a network of different disciplinary branches of the universities.

Basically however, the majority of universities did not introduce substantive reforms of governance. The evidences collected revealed the prevalence of a position of compromise by universities in their relationship with the state, together with a limited capacity or, in some cases, willingness to assume a central and proactive role in the market of knowledge production (Mari, 2000; Fassari, 2004).

As regards the teaching courses, the aim of the reform was to support diversification of educational programmes to meet different user requirements. However, it has been noted that universities applied the new provisions by greatly enlarging their educational supply, and by avoiding two essential requisites: transparency for applicants (information about what to choose) and real competition among institutions (deriving from the absence of external pressure). In this case, internal decision-making tends to reproduce “the distributive mechanism”, which is one of the key features of Italian universities (Capano, 1999).

Some authors (Luzzatto and Moscati, 2007) consider different factors negatively affecting the reform of teaching courses: the “elitist attitude” of the academic staff with respect to tertiary education, which impeded genuine transformation of the courses; the lack of experience of academics in the collective design of curricula; the lack of co-operation between disciplinary fields; the continuance of a professional compartment based on “reciprocal non-interference”; and, last but not least, the absence of an institutional framework able to support the reform process.

The State intended to introduce the NPM model also through funding policy, but even in this the effectiveness of results obtained was unsatisfactory (see Section 4.5).

A final point should be made about characteristic of relations between the state and the universities in Italy that is the role of networks as a potential vehicle of policy change.

Since the 1990s, the State has acted to retain control of certain key aspects of the academic profession (recruitment, levels of salaries, and incentives), and it university autonomy in determining the content of curricula through the provision of minimum standards for activation of any course. This power is centralized in the MiUR, and there are no bodies to which government delegates as an intermediary to put policies into action. Only evaluation activities were granted to specialized committees (CNVSU and CIVR), which assumed different roles.

While the former operated as a government technical body for university assessment (by providing studies, analysis, reports, monitoring activities etc.), the latter interacted between the State and the universities as an intermediary organ, trying to mitigate the possible negative effects of the Government’s top-down approach. This behaviour was evident when the Committee elaborated guidelines for research evaluation (CIVR, 2003) and in the starting phase of the VTR. In both circumstances, CIVR carried out wide consultative processes with many

organs,¹⁸ to harmonize their varying needs and demands with the Government's aims. The result was successful. The universities' acceptance of the VTR scheme was a key factor in permitting the development of the national research evaluation process.

Other bodies played buffering roles between state and the universities: CUN – as the representative of the universities disciplinary fields and, indirectly, of professorship interests; the National University Students Committee (CNSU) – as the advisory body of the students; and the Conference of Rectors (CRUI) – which assumed a leading role in representing the institutional university position on problems related to academic life.

The importance of CRUI, increased over the period under consideration, and its activity was generally devoted to maintaining the sphere of autonomy given to the universities by influencing the contents of the legal provisions under the control of the state and by assuming, in matters such as evaluation, a leading position at the cutting edge of CNVSU. Anyway, the actors handle a government power for steering the higher education system. Thus, horizontal co-ordination that might characterize the evolution in terms of networking does not seem to come forth in the governance of the higher education system, even if traces of a trend towards “shared governance” may be detected within the internal organization of some universities (Minelli et al., 2005).

Also, local-government, the regional authorities, and external stakeholders, did not, in most cases, play a substantial role in the emergence of the new paradigm of university governance. Their actions were in some cases relevant within universities, for collaboration, funding and networking with institutions, but their influence did not seem to be a force of change in the higher education system.

To summarize, in Italy reforms were driven more by ideological than by changes in the constellation of power of the protagonists. The effects of reforms were not as important as they were intended to be, because the state did not cede power and responsibilities linked to key aspects of the higher education system, but adopted an “in-between” solution in applying NPM principles that, on the one hand, impeded the creation of a quasi-market environment, and on the other allowed professionals in higher education to maintain most of their privileges and sphere of influence.

If we look at the events of the last 10 years, we note a powerful dynamic of push and pull in relations between state and universities. The former tried to push toward a rationalisation of the system expecting the HE system to deliver key social and economic goals as part of public policy, but its activity was characterized by numerous contradictions. The latter resisted state steering, trying to maintain their room for manoeuvre and their traditional organizational model. The consequences are: (a) the higher education system is still identified with the universities, and there is not yet a differing range of institutions operating at the tertiary educational level;

¹⁸Consultations were carried out with CUN, CRUI, with a large number of universities, with representatives of the main public research agencies, associations of industries, and other stakeholders. After the Miur decree, which launched the VTR, CIVR enters in touch with each university for other consultations on aims, structure and practical aspects of the evaluation exercise. The results of these consultations impact the subsequent Committee directives for the VTR development.

(b) the mission of Italian universities is the same for all the institutions; (c) specialized profiles of activities related to different institutional functions (education, research, professional training, and a third mission) did not emerge; (d) the legal value of academic qualifications persists, and is equal, in its effects, throughout the national territory, whatever the qualitative level of the university; (e) the rules for professorial recruitment are established at the central level. Thus, policy legacy has proved a serious restraint on setting up the new government paradigm.

In the meanwhile, changes in internal organization occurred in some Universities. Empirical evidence highlighted cases where institutions experimented with innovative management models, an evaluation process of teaching and, more recently, research being institutionalized (Minelli et al., 2005), and the strengthening of the leadership rectors (Turri, 2005). Some Universities showed a capacity for self-reform in answer to different *stimuli* such as, international and national competition, external target-setting, and an emerging managerial and professional culture (Azzone and Dente, 2004). In these cases, the university became a relevant organizational level in setting up strategies, choosing alliances and networks with other bodies, implementing policies and, lastly, organizing collective resistance to external intervention.

However, such changes occurred in a few universities, where a combination of internal factors (leadership, strategic governance, and the interdisciplinary and international attitude of the scientific community) and of environmental context (local government playing a key role, strong international connections) were favourable to transformation, permitting a move away from the continental model. More generally we see only slow adaptation to comply with the new rules which leave, almost intact, the existing system of ideas, practices and habits. The presence of such “proactive” universities demonstrates the existence of a growing number of professors within the academic community that does not feel comfortable with the existing system and wants it radically modified.

Thus, a forceful role for the State, through coherent policy design and an enduring political will, is vital to sustain and accelerate the path to a new paradigm of governance (Ferlie et al., 1996). Apart from coherence and continuity, another feature of the national higher education system seems to be the lack of trust¹⁹ between the state, as regulator, and the universities, as regulated units. Thus, the implementation of means (such as, the Three-Year Plan for University development) suited to state-university interaction, could be a method bridging gaps between the two.

4.5 Tracer Issues

NPM within the higher education system implies a push toward the modernisation of university management, based principally on the transformation of funding rules in accordance with the autonomy-accountability principle. Various higher education

¹⁹In this case we refer to norm-based trust, such as shared values and norms supporting collective actions within uncertain environments (De Boer, 2002).

funding methods have been applied in different countries: input based, output-based, performance-based, contract-based, etc. According to the steering models adopted by the country (state-supervised model or state-controlled model), we find diverse effects of funding on university autonomy, which depend on the context in which the university operates, and is conditioned by the nature of the autonomy (Neave and van Vught, 1994).

We will now discuss the government university-funding model (Section 4.5.1) and then the research-funding (Section 4.5.2), because, they are related, they follow different rules and reform processes.

4.5.1 The Government Funding Model

The new funding rules for the universities were introduced for the first time in 1994. The law²⁰ established four funding channels with differing aims: the *Fondo per il finanziamento ordinario* (FFO) for general university funding,²¹ the Building Fund (FEU) and the Fund for the Development of Higher Education (FPS). Finally, a specific competitive fund was devoted to university research projects of national relevance, presented by the professors (PRIN).

The goals of the new system can be summarized in the following items:

- (a) A shift from line-item budgeting to lump-sum budgeting to guarantee the simplification of administrative activity and greater room for manoeuvre for the universities.
- (b) The establishment responsibility of universities for the budget covering their expenses, including the cost of personnel. Prior to the reform, universities asked state authorisation for recruitment. Following authorisation, the State transferred financial resources to cover the additional cost of new personnel. The reform modified this, with the university becoming responsible for ensuring that the budget covered all expenses linked to their decision-making, the cost of personnel included.
- (c) The transfer of financial resources from the state to the universities on the basis of parameters linked to educational and research activity in accordance with a "formula" funding model.
- (d) The provision of a mechanism for balancing the existing unequal distribution of FFO between universities, on the basis of their effective costs (*quota di riequilibrio*).
- (e) The introduction of incentives for the accomplishment of priorities and objectives determined by the Government.

²⁰L. 537/93.

²¹FFO accounts for approximately 90% of the resources transferred from the state to the universities, but this ratio has tended to be reduced in the last three years. At the same time, a growing ability of universities to attract external source of funding emerged.

The model involved a large number of participants (MiUR, NUV, CNVSU, University government bodies, other internal bodies), with differing levels of commitment in ensuring the accountability of the allocation process. The buffer organizations (CRUI, CUN and CNSU) play a key role, for they have a set of advisory tasks in representing different interests existing at university level: decision-makers, academic staff, and students.

The aim of the new system was to enhance university competition, by guaranteeing to all institutions the same initial opportunities (through the *quota di riequilibrio*). Evaluation was the means to guarantee quality. It should produce internal feedback (in terms of self-evaluation capacity and *moral suasion*) and an external feedback (in terms of resource allocation, rewards and penalties).

An initial assessment of the effects produced by the new funding system, carried out by the CNVSU in 2003 (CNVSU, 2003a) identified some weak points.

First of all, adequate financial resources were lacking. The introduction of evaluation procedures to be linked with resource allocation required the availability of growing funds to sustain both the physiological enlargement of the higher education system, and the introduction of incentives schemes. Table 4.1 shows that the FFO remained stable in nominal terms, and this circumstance influenced the effects produced by the new funding system as well as the way in which it may be evaluated.

Second, the national objectives linked to special incentives changed too frequently, and institutions did not have enough time to adapt their behaviour to the new priorities (Osservatorio, 1998; CNVSU, 2003a).

The rationale for the Government's implementation of the funding system was the construction of a quasi-market environment in the higher education system. Some fundamental requisites were identified by the CNVSU to this purpose: the introduction of mechanisms for the accreditation of degree programmes, the client's guarantee of choice between different producers, the producer's autonomy in combining different production factors, the establishment of a standard cost for students, which aids the student's choice between various educational service providers (Catalano, 2003). These requirements were not guaranteed.

Some problems were highlighted: the legal value of the higher education degrees, which guarantees the equal value of the degree even in the presence of differing institutional performance, uncertainties over public-private competition rules, student mobility, the absence of an intermediary body, which can represent the client's demands and which can act as a counterpart *vis-a-vis* supply institutions.

Table 4.1 The FFO in Italian universities from 1994 to 2003 (Mur-CNVSU)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total	3.548	3.699	4.670	5.065	5.273	5.402	5.743	6.042	6.165	6.215
Yearly variation		151	971	396	207	129	342	299	123	50
Percentage of yearly variation		4.3	26.3	8.5	4.1	2.4	6.3	5.2	2.0	0.8

(Million euro, current price)

The revision of the State funding model was one step toward the quasi-market goal (CNVSU, 2004). The funding "formula" for the FFO allocation was modified as follows:

30% of the FFO should be transferred on the basis of existing educational demand (students enrolled and their characteristics).

30% depends on the results of the educational process (credits acquired).

30% is linked to the evaluation of university research results.

10% is linked to special incentives.

The CNVSU document, delivered as a result of a specific government commitment, on the evaluation method for research results, was based on the definition of the research potential of each university (quantitative estimation of the "active research personnel"), to be weighted using the PRIN success index (see Section 4.5.2), and then corrected utilising the value of university receipts deriving from external sources of funding. A further proposal was made to combine this method with the results derived by the VTR, but the effectiveness of the new system is still low in terms of the amount of resources allocated over total Government funding. Moreover, the effectiveness of the 'formula' was limited to a small quota of FFO, that is the amount exceeding the historical financial transfer from the state. These uncertainties imply low transparency of overall reform aims, and the difficulty of the university in understanding how the system will effectively evolve. As an unintended consequence, the universities tended to assume adaptive behaviour to avoid cuts in their resources. This means that accomplishing the model requirements was perceived as a bureaucratic fulfilment, with no need for substantial changes in the universities' decision-making.

4.5.2 The Funding of Research

One of the changes introduced in Italy in the 1980s²² was a specific budget for university research activity. This budget was composed of two different percentages, aimed at creating a dual support system. One percentage, 60%, was transferred to the universities as basic rate for research funding. Universities allocate this amount among all the disciplinary areas according to their importance. The second ratio, 40%, was devoted to funding research projects of national interest, proposed by the professors, singly or in collaboration with other colleagues from the same university, and/or from other universities.

After the reform of 1997, the system was modified. The 60% was included in the FFO, and the 40% was transformed into a competitive fund called PRIN, which represents the general method for funding university research, given the low level of the internal resources and the differing ability of disciplinary areas to attract external funds.

²²Decree 382/80.

Table 4.2 PRIN (1997–2002) (MIUR- CNVSU)

	1997	2002
Funding requested by the applicants ^a	270,000	400,000
Funding assigned by the Committee ^a	75,000	140,000
No of proposals submitted		
<i>Inter-university</i>	1,450	2,200
<i>Intra-university</i>	200	240
Projects funded	450	850
<i>of which interdisciplinary</i>	110	290
Participation index ^b		26%
Success index ^b		45.5%

^aThousands euro

^b1998–2001 medium value

PRIN discipline was aimed at improving the autonomy-accountability of the higher education system, by putting at its core the ex-ante evaluation process for proposal selection. Before 1997, special disciplinary CUN Committees were in charge of selecting proposals, and funds were assigned on the basis of the distributive principle: low amount of funds for almost all applicants (the so-called “raining funding”).

The evaluation process in the new system is charged to a special Committee, which selects anonymous external referees for assessment of proposals, and allocates funds on the basis of the referees’ judgements. A percentage of 42% of the total annual PRIN amount available is granted to the best proposals from each disciplinary area. The other 58% is allocated on the basis of a general ranking list of all proposals. The contribution accorded to the winners is a share of the project cost: 50% for intra-university projects, 70% for inter-university projects. Table 4.2 shows the growing importance of the PRIN in the last 6 years (1997–2002) in terms of the number of projects presented (CNVSU, 2003a).

The ratio of projects approved over the total submitted, as well as the ratio of funding assigned and requested, reveal that the new evaluation procedure ensured the selection of the proposals and, as a consequence, the springing up of competition among universities.

Some other interesting phenomena may be observed, confirming the above mentioned points:

- The percentage of interdisciplinary projects grew significantly in the period under consideration, particularly in certain disciplinary areas (biology, medicine, chemistry) and probably as a result of the rule which rewards interdisciplinary applications.
- The participation index (number of applicants/persons who can participate) and the success index (number of applicants funded/number of applicants) confirms the selectivity of the evaluation process, in a context that seems characterized by weak participation in the competition. In any event, selectivity (in terms of projects accepted) is rather lower in 2001 than in 1997.

- The participation index shows limited differences between universities (45 universities out of 61 have an index between 20% and 30%). The success index, on the contrary, shows greater differences between universities: from 60% to 40%.

In order to understand these figures, it is necessary to take into account two basic characteristics of PRIN:

- Proposal selection is not driven by priorities or specific themes indicated by the government, but derives only from the evaluation process. Thus, results are conditioned by the size of the academic community in different disciplinary areas, by the ability to obtain other funding (from university or other sources) to co-finance proposals (co-funding capacity), and by the amount of funding reserved to each area.
- PRIN applicants can also participate in other national selections for project funding. In Italy, there is another Government instrument, the FIRB – Fund for Basic Research, which also supports free project proposals presented by individuals and which are evaluated individually in order of presentation. It has been estimated that in 2002 over 3,500 professors participated in both the competitions (PRIN and FIRB) and about 40% were funded through both instruments, for very similar project proposals (CNVSU, 2003a).

To summarize, PRIN is operating as a mean for realising the autonomy-accountability principles in the higher education system, enhancing differentiation processes among universities. The weakness of the instrument results mainly from the low level of available funds²³ and the lack of co-ordination with other funding instruments which could undermine the results of the evaluation process. Both the cited weaknesses reveal that the will of the state to steer the higher education system came with investment inadequate to existing demand, and with some uncertainty over the rules of the game, which produced great distortions in the effectiveness of the reform results. Universities, in fact, reacted rationally putting in place opportunistic behaviour.

An additional point higher education institutions have been encouraged to seek alternative sources of funding because it is generally considered one of the best guarantees of institutional autonomy. Even in Italy this process is going to be strengthened. Figures on Italian university research budgets by source of funding, show that in 2003 the share of research funding coming from MiUR is 26%, PRIN included, and from the universities internal allocation 21%. That coming from external sources, namely the European Union, public research agencies, and other public or private bodies, is 47%.²⁴

²³In 2002 and in 2003, PRIN covers a share of 2% of the total Government funding to the universities.

²⁴CNVSU data. In 2001–2003 funding from the EU represented 10% of the total research budget, and 24% came from external sources. The quoted figures outline the growing importance of internationalisation for the Italian HEIs (CIVR-VTR data).

The experience of other countries shows that the effect of funding on university autonomy depends on the context in which the university operates. In some contexts, government funding causes less interference than funding from industry or student fees (in the UK for instance), and “the good will of government, shown in releasing unnecessary regulation for universities, can be more decisive than the matter of funding in enhancing university autonomy” (Li-Chuan Chiang, 2004). Diversifying the funding base by attracting money from external may not have an effect on university autonomy in a state-controlled system as directly as in a state-supervised system. There is no strong evidence in Italy on how the ability to attract external resources impacts the autonomy of institutions, but the imperfect realisation of autonomy could undermine positive effects, leaving the potential for unintended negative consequences²⁵ originating in the growth of the share of external funds outlined by the economic literature (Geuna, 1999).

4.6 The Steering of Doctoral Programmes

The second indicator for exploring the steering model of the Italian higher education system is doctoral courses. The doctorate, as a post-graduate educational level for the training in research activity, was introduced in Italy great delay in comparison with other European countries.

The first regulation came in 1980 (l. 382/80), and the cycles began in 1983. The general aim was to improve the scientific education of the graduates by training them in research activity.

Regulation was modified in the 1990s (l. 210/1998) in accordance with the autonomy-accountability principles which informed the reform process of the higher education system, and also in step with the reform of primary academic degrees, which were split into two levels (*Laurea* – 3 years, *Laurea specialistica* – 2 years, Ph.D. – 3 years). A new vision emerged, which signalled, as a general aim of the doctorate, not only training *for* research, but also training *through* research, to develop competence also for work other than in the academic profession.

The organizational model selected by the Law of 1980 conceived the doctorate as a course divided between educational activities and seminars. Doctoral students should also develop a research programme and publish their results. However, no dominant model was applied in Italian universities. The autonomy of the institutions in organizing doctoral courses was very broad, and in some cases doctorates were organized as a period of research activity on specific selected themes, without any educational activity. The two models (with and without education) are very different in their objectives and attainments, and also in the number of participants. While in

²⁵The unintended consequences observed by Geuna are: concentration of resources, short-term research endeavour, conflicting incentive structures, and cumulative and self-reinforcing phenomena (Geuna, 1999).

the first case we found a large number of participants, the second model might also be directed to a single participant. Available data on the number of doctoral fellowships suggest that the first model should be the prevalent one in the Italian experience (CNVSU, 2004c).

The 1988 reform adopted the course model *Osservatorio* elaborated some criteria for the doctoral programme assessment, established minimum requirements for each course (professors, structures, competence, collaboration with external bodies for the students *stages*, and the prevailing commitment of the student to research activity) and the evaluation procedure.

In 2002, CNVSU carried out the first evaluation process on the basis of the NUV Reports. The analysis of data and information show a large fragmentation of courses between areas and disciplinary sectors (in 2002 there were 1,124 doctoral courses and 5,354 fellowships distributed among 67 universities). This means that universities used their autonomy to organize courses by applying the same distributive principle among disciplines which informed the whole reform of the educational activities.

The participation of external agencies in funding courses was modest, except in certain areas; the number of foreign students and agreements with foreign universities or local agents were sparse. The principal characteristic was wide differentiation of courses (teaching activity, amount of resources, infrastructure for research, number of professors involved, collaboration, and scientific productivity of the students), and the low capacity of courses to attract students from other universities.

CNVSU recommended universities assume a different role, become more responsible for the organization of the doctoral courses, and develop evaluation procedures on their outcome. It also suggested seeking external sources of funding, and improving both collaboration with other universities and student mobility. Finally, the Committee suggested the creation of doctoral schools to prevent fragmentation of courses (CNVSU, 2002; Ratti, 2003; Schmid and Stefanelli, 2003).

In 2003 new criteria for the Phd funding were established,²⁶ which linked the transfer of resources to certain parameters: existing potential demand for doctoral courses, the number of doctoral recipients in any given year, and the consistency of NUV Reports with MiUR recommendations (CNVSU, 2004c). The subsequent evaluation exercise revealed a general attempt to adapt Ph.D. courses to the suggested priorities, but results were not significant in overcoming the fragmentation of the courses. Data show that, in the Italian universities in 2003, there were 2,100 doctoral courses, with 1,660 different titles, of which 34% did not meet the MiUR minimum requirements. This, basically, was due to the fact that many Universities avoided Government recommendations, by putting into action reform, without addressing substantial change. On the other hand, the NUVs' commitment to evaluation was substantially improved, because of important action taken by the CRUI to stimulate the universities to the quality of educational supply at all levels (Fondazione CRUI, 2003).

²⁶Decree 301/2003.

Another reform was passed in 2004.²⁷ A decree gave universities the possibility of creating doctoral schools on a voluntary basis, and provided specific incentives for their start-up phase.

Italy experienced few cases of doctoral schools (five cases), which presented different features.²⁸ Apart from the adopted model, some common aspects of the existing Schools have been highlighted (CNVSU, 2005):

- Overcoming of course fragmentation through the aggregation of those already existing
- Improving attractiveness of university by opening doctorates to external contexts
- Supporting internationalisation either through student mobility, placing student within an international research network
- Developing relationship with the local socio-economic context

The Schools should aim to improve the transparency of the educational content, to exploit courses characterized by scientific excellence, to facilitate relations, collaboration and networking with external agents, and to create the prerequisites and conditions for introducing doctoral students into the workforce.

Government steering of doctoral courses was characterized by a high level of deregulation, which left universities and the academic community more room for manoeuvre than did funding policies. The role of buffer institutions (CRUI and CUN) was essential, in improving university internal evaluation capacity, in co-ordinating efforts at national level, and in interaction with the state, representing the university interests. Doctoral Schools a great opportunity for Italian universities, because in principle they are directed to strengthening the institutional level while tending to limit academic power. Universities have large autonomy in designing their internal organization, since no constraints have been agreed by the state. Thus the question is: given the current system of governance within Italian universities, and given the academic tradition in managing doctoral programmes, is it realistic to predict real change in doctoral school management?

Some empirical evidence (Ferlie et al., 2007) show that there are factors facilitating and forcing change in doctoral courses, namely individual leadership, determination, commitment, clear incremental and communicative strategy inside the University, scientific attitude to change (the ability to address inter-disciplinary matters, and international openness). However, putting in place incoherent or negative rules may block institutional determination for change. In a bureaucratic system a lack of law might be better than State restraint for involved institutions.

²⁷ Decree 262/2004.

²⁸ The applied models are: the *Scuola Unica* (all the doctoral courses are organised by the School, which is also responsible for educational and training content, fund management and all related activities), the *Scuola di Area* (the School organises doctoral courses on common themes and distributes funds, but does not manage all activities), and the *Scuola integrativa* (which has a complementary role in the organisation of common activities or specific aspects that could be better managed by a different body, i.e. the internationalisation of the activities).

4.7 Concluding Discussion – A Late Mover to an 'In Between' Configuration

The HE system was affected by series of changes in the last century, which influenced relations between state and the universities. During the 1970s, standardisation of the higher education system was in most countries the determining factor of change. Standardisation implied substantial expansion of the system, diversification of institutions, strengthening of their organizational complexity, and a new awareness of society's role (government included) as the principal source of higher education funding.

This meant that society, and moreover the state, gained a moral justification to steer the national higher education system (Valimaa, 1999), and the traditional disciplinary principles, which governed university internal organization were progressively challenged by the new practical orientation of institutions, and by the differentiation of their clients (Clark, 1995).

From the 1980s, the steering of higher education in Europe began to shift from a centrally planned model to a more self-regulated model. Governments used economic incentives in pursuing the development of more competitive behaviour at institutional level. This process should also imply parallel processes of differentiation and diversification within the higher education sector, which government viewed favourably, as it would strengthen the capacity of the system to cope with different social needs and expectations (Goedegebuure, 1996). These developments require the ability to make strategic decisions at the institutional level.

Italy did not participate in the described processes until the 1990s. In the last 15 years, the state, in accordance with the emergent NPM narrative, tried to shift from a centralized model to a steering-at-distance model, but this process was neither coherent nor linear, and kept the country connected to a sort of "in-between" configuration. The universities generally responded by slowly adapting their behaviour to comply with government rules, but existing internal governance structures did not adjust to the new requirements. The resulting asset guaranteed a large degree of self-government to the institutions, but reinforced the tendency of professors to view the autonomy of universities as the freedom of individuals from schemes, rules, results and restraints (Simone, 1995), and left the whole system dominated by powerful dependency (Capano, 2008). Although decentralisation processes occurred and new protagonists participated in academic governance, the ability to create horizontal networks handling steering powers did not come forth. The NG model did not characterize the HE governance system, and even the role of the buffer institutions requires clarification in numerous respects.

These features limited the development of real competition and institutional differentiation. Thus, the diversification processes based on strategic choices and organization of some HEIs had limited market effects, in terms of attracting clients. The policy's legacy tended to guarantee a certain level of homogeneity of results, which did not reward virtuous behaviour.

Italy seems more an example of local conditions and path dependence overwhelming reform ideas, than a country where tardy and only partial modernisation occurred.

The HE reforms appeared as an extreme case in the general trend of Italian public management reforms of the 1990s, because the state itself does little to implement them on the basis of coherent and continuous policy design.

Nevertheless, it is true that changes occurred and the implementation of reform was different within some universities, although they were acting under the same political conditions. Available empirical evidence showed that localisation in strong regions, participation in international networks, and internal factors linked to the leadership capacity, internationalisation and the presence of interdisciplinary research, were determining factors for these HEIs to escape, at least partly, the limitations imposed by national steering. These exceptions to the general trend are a sign that factors other than the State can play a major role in shaping university configurations under certain conditions.