Chapter 5
Netherlands

An 'Echternach' Procession in Different Directions: Oscillating Steps Towards Reform

Don F. Westerheijden, Harry de Boer, and Jürgen Enders

5.1 Introduction: Modes of Coordination

The annual procession in the Luxemburg town of Echternach is famous for its laborious manner of reaching its end: two steps forward, one step back. In this paper, we will maintain that the policy of the Dutch government over the period of *c*.1982–2007 resembles an Echternach procession in reverse: every time it took two steps back from control over higher education, it took one step ahead again. It was not a random oscillation between the two extremes NPM and NG, but the trend certainly was not linear either. We address policy developments in Dutch higher education and research in the last two and a half decades in order to explore shifts in governance of universities. Our aim is to elaborate upon the consequences of such shifts on doctoral training and on research funding for universities, for which extensive treatment of the general reforms in higher education and research are necessary. Based on the two concepts of NPM and NG, and as a result of the Echternach-like movements from one policy paper to the next regulation or the following instrument mix, concrete societal sub-systems or policy fields can now be understood as mixtures of the two.

In turning to the governance of university systems, we make use of already existing typologies of basic dimensions of the modes of coordination of this societal sub-sector. In the following, and in more detail than the two main ideal types that structure this book, we distinguish five modes of co-ordination: state regulation, stakeholder guidance, academic self-governance, managerial self-governance, and competition.

State regulation concerns the traditional notion of top-down authority vested in the state. This dimension refers to regulation by directives; the government prescribes (in detail) behaviours under particular circumstances. Regulation refers to the promulgation of an authoritative set of rules, usually legal rules. It implies

D.F. Westerheijden, H.de. Boer, and J. Enders
Center for Higher Education Policy Studies (CHEPS),
Universiteit Twente, Enschede, the Netherlands

C. Paradeise et al. (eds.), *University Governance*,

controlling an actor's behaviour through monitoring, standard setting, inspection, warranty approval, certification, arbitration and so on.

Stakeholder guidance concerns activities that direct universities through goal setting and advice. This mechanism concerns the provision of general objectives and procedural rules; they set the framework within which universities have room to manoeuvre. In public university systems, the government is usually an important stakeholder, but is certainly not necessarily the only player in this respect. The state may delegate certain powers to guide to other actors, such as intermediary bodies or representatives of industry in university boards.

Academic self-governance concerns the role of professional communities within the university system. This mechanism is institutionalized in collegial decision-making within universities and the peer review-based self-steering of academic communities, for instance in decisions of funding agencies.

Managerial self-governance concerns hierarchies within universities as organisations. Here the role of university leadership in internal goal setting, regulation, and decision-making is at stake. University rectors or presidents form the top-level of managerial self-governance; in the intermediate level, deans are increasingly seen as important figures. Let us stress that the distinction with academic self-governance lies not in the office holders' backgrounds but in the answer to the question to whom is reported. Office holders elected by their academic peers and who continue to teach during their term of office or who normally return to teaching positions count as academic self-governance, while appointed office holders who report to higher-level managers or external boards count as managerial self-governance even if they originally hail from the academic profession.

Competition for scarce resources – money, personnel, and prestige – within and between universities takes place mostly not in 'pure markets' but in 'quasi-markets' where performance evaluations by peers substitute the demand-pull from customers.

These modes of coordination are different empirical combinations of elements from mainly two dimensions: the dominance of certain actors (or locus of power) and the preferred mix of steering instruments. With regard to actors, as in Clark's (1983) view, state, society and the higher education 'oligarchy' are seen as the major parties. With regard to the higher education community, as we just mentioned, we distinguish between the academics proper and the administrators or managers. Concerning steering instrument mixes, different ideas exist about the effectiveness and desirability of instruments. To some – limited – extent, such views may be informed by social scientific insights, but for another – probably much larger – extent they depend on ideological convictions. A basic distinction with regard to steering instruments is whether they are constraining or enabling (Jenniskens, 1997).

Obviously, elements of all five modes may co-exist, though in a certain period one or a few modes may predominate, or may be seen as a striking feature of an epoch or a model for good governance. NPM approaches of good governance usually stress, for example, the role of 'hierarchies' and 'markets'. According to our five dimensions of coordination, this would imply a clear role for the state to play. Whether this role would be a much more a regulatory one or a guiding one seems to be contested between 'hard' and 'soft' versions of NPM. In the latter case, NPM

would overlap with certain ideas affiliated with NG. In NPM, the role of academic self-governance should be rather marginal. Academics are of course of great importance in the delivery of research and teaching, but under the notion of 'every man to his trade' these knowledge workers should do what they do best: discover and transmit knowledge. At the same time, we may argue that managerial self-governance and competition would obtain high scores in an idealized world of NPM.

In contrast, NG stresses ideas of self-governance and self-control in societal sectors, such as higher education where coordinating power and control are collectively shared between the major 'social actors or partners' at all levels of the decision-making system. According to our five dimensions of coordination, this would imply 'hollowing out' the capacity of the state to direct public services organizations. Stakeholder interaction and guidance, including the state, as well as academic self-governance would score high in an idealized world of NG. Cooperation via organisational networks will be stressed rather than sharp competition for scarce resources. Organisational self-control and networking may, however, rely on well-functioning capacities for managerial self-governance. In this case, NG would overlap with certain managerialist concepts implied in NPM.

Our basic tenet will be that, at least in the Dutch case of higher education, NPM and NG are not to be seen as alternative models underlying efforts to change the modes of coordination, but rather as *complementary* explanations or narratives. This means that we will contend that reform was inspired by an NPM narrative mainly while the 'Dutch polder model' of NG, as it plays out in higher education, still has a role to play. Moreover, the balance between the narratives to some extent keeps changing in response to developments in political power balances and in ideological insights. This does not imply that cross-national policy convergence is impossible, but it does warn against predictions of rapid cross-national uniformisation.

5.1.1 The Dutch Higher Education and Research System in a Nutshell

In 2003, the Netherlands had 16.3 million inhabitants and a Gross Domestic Product (GDP) of approximately €454 billion, which represents around 4.7% of the total European Union GDP. Because of the open character of the Dutch economy, it is under constant pressure to invest in improving its competitiveness and in knowledge intensification and exploitation. The Dutch higher education and research system is expected to play a significant role in innovation as well as in education and training. In recent years, the importance of higher education and research for the (Dutch) knowledge economy has been referred to frequently, partly because of the Lisbon declaration and the Dutch ambitions in that area.

The policy tradition in higher education in the Netherlands is a mixture of French, German and Anglo-Saxon elements, combined with unique Dutch components such as the 'pillarisation'. French influence can be discerned amongst others in the first national legislation on higher education, introduced just after Napoleon's

time (1815 '*Organiek Besluit*'). German influence can be observed in developments that followed the unification of Germany in 1871, including aspects of higher education and of the academic culture (Rupp, 1997). The ideas of Von Humboldt, whether myth or reality, had a large impact on Dutch higher education and research. Finally, the influence of Anglo-Saxon elements on Dutch higher education can traced through both the mercantilist North Sea culture dating from before the nineteenth century and in the changes in the world order after the Second World War (Maassen, 1996; Rupp, 1997). Especially in the last 2 decades of the twentieth century one can observe a strong Anglo-Saxon influence on Dutch higher education. Neave (1998), discussing the rise of the evaluative state in the 1980s and 1990s, argued for example that the Netherlands followed the market driven reform ideologies from the United Kingdom and the United States to reorganize its higher education.

Dutch higher education currently is organized as a binary system, consisting of 13 universities and 54 institutions for higher vocational education (referred to below as 'colleges', or in Dutch *hogescholen*). There is also an Open University (OUN) and a number of other state-funded and non-funded institutions providing higher education. The main aims of colleges and universities are formulated in the national Higher Education and Research Act of 1993 (Dutch abbreviation *WHW*). Whereas the aims of the colleges mainly relate to the application and transfer of knowledge with respect to specific professions, the aims of the universities also refer to the autonomous performance of scientific research activities and to the universities' responsibility for providing a number of official services to society. The thirteen universities carry out most of the basic research in the Netherlands. Besides basic research, the Dutch universities are also engaged in strategic and applied research. In 1999, the universities spent about 26% of the national R&D budget. Hogescholen in recent years have emphasized their role in applied research and in 'valorisation' of knowledge more than before especially through their *lectors* (a new, research-directed position). In the remainder of this report our focus will be on the university sector, as our tracers of doctoral training and (basic) research funding affect only this part of the Dutch higher education system.

The 13 universities in the Netherlands do not constitute a single, institutionally homogeneous group. If we distinguish them by their historical origins, we can identify four different groupings:

Four old, classical universities: Leiden (1575), Groningen (1614), Amsterdam (1632) and Utrecht (1636)

Three broad-ranged private, but state-funded universities: the Protestant Vrije Universiteit Amsterdam (1880), and the two Catholic ones in Nijmegen (1923) and Tilburg (1927), which were all founded in the context of pillarisation

Four mono-disciplinary institutions, viz. three technical universities in Delft (1842), Eindhoven (1954) and Twente (1961), plus the agricultural university of Wageningen (1876)

And two (relatively) new universities with a not quite full-blown, yet more general profile: Rotterdam (1973) and Maastricht (1976)

Naturally, each university has its own distinctive profile with respect to programme offerings, student population, etc. As said, however, due to among other things the fairly strong nature of government regulation, at least until the 1980s, and the general focus in Dutch society on equality, the variety in the quality of teaching and research is (supposed to be) relatively small. Only since about the mid-1990s has stratification along these lines become an issue.

The universities defend their common interests through their representative organization, the Association of Co-operating Universities in the Netherlands (Dutch abbreviation *VSNU*), which is also one of the main partners in the national policy network with respect to higher education. Regarding the aim of this study, two other important organizations at the national level should be briefly mentioned here. First, the Netherlands Organization for Scientific Research (*NWO*) is the most important intermediate organization in the field of fundamental and strategic research. It plays a major role in allocating public research funds. Second, the Royal Netherlands Academy of Arts and Science (*KNAW*), which besides quality control in the area of doctoral training, advises the government and the university sector, solicited and unsolicited, in all fields of science.

In the Dutch research infrastructure outside the university sector, we can discern non-university research institutes (among which some owned by the Royal Academy KNAW), the para-university institutes and the colleges. And of course a substantial amount of R&D takes place in the private sector, which spends about 50% of the total R&D expenditure. The quality and productivity of Dutch university research is high, according to international benchmarks (*Wetenschapsbudget*, 2004).

In the national government (other governmental authorities such as provinces and municipalities do not play a significant role in higher education), higher education, research and R&D policies have been divided among ministries and within ministries; there is clear compartmentalization. R&D or technology policy, for instance, belongs to the realm of the ministry of economic affairs, whilst higher education and research belong to the ministry of education, culture and sciences (Dutch abbreviation: *OCW*). Within the ministry of *OCW* higher education and science policies fall under different directorates-general. This can be illustrated when we look at the strategic policy documents of the ministry of *OCW*. The Higher Education and Research Plan (in Dutch during the period under study abbreviated to *HOOP*) despite its name by and large restricts itself to higher education. The government's plans regarding scientific research are published in the Science Budget ('*Wetenschapsbudget*').

5.2 The Prelude to the 1980s

After the Second World War the involvement of the national government in higher education intensified. This was considered inevitable given higher education's enormous and rapid quantitative expansion. Moreover, the 1960s and 1970s exuded

an atmosphere of rock-solid faith in the possibilities of the national government to design and steer society, including the higher education system. Governmental intervention was regarded as an instrument with enormous potential to steer society in the direction of the modern welfare state. Government interference expressed itself in laws, decrees, procedures, regulations, and administrative supervision. This intensifying involvement of the national government mainly concerned higher education. At the same time, however, academic matters were largely left to the professionals. In fact, academic self-regulation and state regulation went hand in hand. The Netherlands was in terms of coordination mechanisms an example of 'bureau-professionalism' (Clarke and Newman, 1997).

University research remained untouched by policy. In this system of academic self-governance one could hardly speak of a research policy (Hazeu, 1989: 105; Arriëns, 1970; Spaapen et al., 1988). The autonomous position of the individual professor with respect to research matters was, however, gradually undermined. One of the causes concerned the introduction of a new university governance structure after the 1968 unrests, making the professors share their power over research matters with other groups in the university (de Boer, 2003). Nevertheless, though individual autonomy was replaced by collective autonomy, academic self-regulation remained in place.

In sum, until the end of the 1970s the coordination of Dutch higher education and research was a mixture of state regulation and academic self-regulation. It was also a closed system, a '*Pädagogische Provinz*' (cf. Boin, 2002). Outsiders, or society at large, hardly had a voice. State regulation was, however, not a simple 'top down' decision chain. Because of the nature of Dutch policy-making – characterized in general by 'pillarization' and corporatism – consensual decision-making among technocrats was common. Especially in the 1970s, Dutch higher education had an almost impenetrable consultative structure (van Vught, 1987), ensuring academic influence in the state regulation mode.

5.3 A Turning Point in the 1980s

From the middle of the 1970s, evidence grew that strong and detailed regulation 'from the top' did not produce the intended outcomes, leading to disappointment in 'central steering'. Moreover, problems could no longer be concealed behind a veil of growing budgets. In this untoward setting, Dutch higher education and research were faced with increasing demands to contribute to the recovery and restructuring of the economy. It was felt that the higher education sector had become too estranged from the rest of society; it should give up its 'ivory tower'.

After the 1968-generation 'imagination to power' left-wing coalition that reigned 1972–1977 (Gortzak, 1978; van Galen and Vuijsje, 1985), in 1978 a centre-right cabinet came to power. This heralded a new era of neo-liberalism and neo-conservatism in the public sector, including higher education. Retrenchment policies were the order of the day, trying (often unsuccessfully) to adjust collective expenditures. The key

changes in higher education around 1980 were, in other words, resource-driven. The national government was decisive, at least in some respects. The policy style in this period was rather straightforward and, for Dutch standards, not very consensual (one prime minister used 'no nonsense' as his motto). In this changing policy environment, research should no longer be 'free of any obligations', but was increasingly supposed to contribute to solving social problems and the national government made its first real attempts to intervene in the 'world of academe'.

After some tentative initiatives, the first white paper with serious impact was published in 1979, i.e. the Policy Document University Research (*BUOZ*-paper). The *BUOZ*-paper put several problems on the agenda, especially the 'university as an ivory tower' and shortcomings in accounting for public money. The government's solution lay in replacing 'unlimited' professional autonomy regarding research by 'freedom in restraint' (Pais, 1978). In the eyes of the government, public research should be (nationally) programmed, at least to some extent, in harmony with social needs; it should be evaluated and accounted for. In a relatively short period the government implemented several measures (see below), mostly aimed at increasing the internal efficiency of science production (Van Rossum, 1987).

In the early 1980s the government promulgated a range of unilateral reforms, in a mode of transition between the traditional *Rechtsstaat* and NPM. At the time 'remedial' or 'corrective' policies, as they were called to disguise that they were (also) cutbacks, dominated the higher education and research scenes. Among the prominent policies was the introduction of 'conditional research funding' to enhance the magnitude, efficiency, and quality of research and resources. In fact, this can be regarded as the first large-scale market-type form of coordination: institutions had to compete for an important share of research grants (treated in more depth in Section 5.4 below). Other examples of the corrective policies are the introduction of the two-tier degree structure for universities (1981; cf. Bijleveld, 1989; Westerheijden, 1997; see also Section 5.5.1), the reallocation of programmes and departments (1981), the mergers of the colleges (1983), the reform of the personnel structure (1981), and a second reallocation and retrenchment operation (1986). They were all directly aimed at offsetting specific mistakes of the past (Teichler, 1989: 171). According to the government, these interventions were necessary to restructure the university sector so that new relationships between the government and the universities could successfully be established; in governmental view it had to pick up the pieces before being able to 'step back'. Decisive restructuring, including financial cutbacks, was seen as a prerequisite to deregulate and devolve central decision-making powers later. In other words, a period of strong steering – close to the NPM narrative – was to give way to an NG narrative later as a conscious policy choice (although enforced by the breakdown of classic bureaucratic control).

The middle of the 1980s brought the fundamental changes promised in the years before, and they had lasting effects on the coordination of the university sector. It was also a time of confusion, due to the fundamental changes themselves, and fuelled by sometimes conflicting signals and policies. On the one hand, there were the government's corrective policies, strongly inciting – close to commanding – the university sector to change. On the other hand, in 1985 the government introduced

the concept of 'steering from a distance', in which firm beliefs in the virtues of regulation, planning mechanisms, and government coordination were 'to be replaced by a philosophy in which the government's role is confined more to setting the boundary conditions within which the higher education system is to operate, leaving more room to manoeuvre at the institutional level'.

This concept of 'steering from a distance' first emerged in the 1985 white paper 'Higher Education: Autonomy and Quality' (Dutch abbreviation: *HOAK*). In this *HOAK* paper the minister presented an explicit vision on Dutch higher education, in which the national government should not be the planner of the system, but instead would be catalyst, coordinator and (financial) facilitator (e.g. De Vijlder and Mertens, 1990). According to *HOAK*, institutional autonomy would be enhanced (deregulation); universities were expected to become more adaptive to their environments. It was argued that this would have positive effects on the quality of the primary processes. The changed role of the government can be regarded as a shift from the interventionary state to the facilitatory state (Neave and Van Vught, 1991). The 'facilitative policies' consisted of a mixture of (Goedegebuure et al., 1993: 210):

Reduction of direct supervision and control of administration and the use of resources.

The development of semi-structured interventionist policies, whereby on the one hand a relatively tight frame exists, but on the other hand freedom is left for decision-making on the part of the institutions.

The establishment of a system of positive and negative sanctions based on a mixture of criteria and procedures, whereby goals are partly defined by the government, partly left open to the diversity of rationales underlying academic evaluation, partly determined by institutional policies, and partly determined by the market.

Detailed input control was replaced by checking afterwards whether the self-regulation of the higher education system led to outputs in an acceptable range. Institutions were given more autonomy if they proved that they 'delivered' quality education and research. The underlying rationale of 'steering from a distance' expressed the government's belief that it would have power to determine the major directions of the Dutch university sector more effectively than in the past. Though it is probably wrong to draw a sharp distinction between the corrective government policies in the first half of the 1980s and the facilitating policies in the second half of that decade, 1985 should be seen as a turning point in Dutch higher education. The *HOAK* policy and the ensuing legislation had far-reaching consequences for the authority distribution in Dutch higher education (Goedegebuure et al., 1993: 196).

The move from directive policies towards 'steering from a distance' did not imply less effort by the government to determine the major goals of the university sector. First, according to the Dutch constitution the government has ultimate responsibility for higher education, i.e. it could not simply turn its back on higher education even if it wanted. Moreover, the government still could affect the outcomes of the university sector by determining the rules of the game. And third, one of the means to operationalize the new steering philosophy was a new planning cycle, in which the national government played an important role. The new planning cycle,

in the mode of 'communicative planning', was based on explicit, regulated, open and cyclic exchange of views and ideas among several parties, mainly the government and the institutions. Besides bilateral talks and general meetings between the minister and the institutions, the distinguishing feature of the plan cycle was the bi-annual publication of strategic policy plans from both the national government and the individual universities in alternating years. In these strategic documents, the national government on the one hand and the individual universities on the other hand were supposed to respond to each other's opinions, views and ideas. This 'dialogue on paper' has been effective in some, but not in every respect. The Advisory Council for Science and Technology Policy (Dutch abbreviation *AWT*) concluded that there was barely a dialogue on *research* policies between the universities and the minister (AWT, 2003). The perception was that the minister is only sparsely responding to the universities' strategic plans and annual reports.

Although the *HOAK* paper exuded an atmosphere of a government 'stepping back' and encouraging competitive behaviour, the desire to streamline the production of knowledge in accordance with social and economic goals remained and actually gained importance over the years. Science should serve national (economic) interests more directly; universities were increasingly supposed, or as academics might put it 'forced', to contribute to the nation's welfare. The programmatic nature of science was increasingly stressed. The researchers' monopoly to dictate the research agenda was no longer perceived as acceptable. The internally defined criteria for research were complemented by externally defined criteria. The research agenda and policies should be determined on the basis of these two perspectives (Blume et al., 1985; Van Rossum, 1987; Hazeu, 1989). Symbolically, in 1988 the national research council was renamed from *ZWO*, meaning Pure Scientific Research (Organisation), into *NWO*, Netherlands' Organisation for Scientific Research – no longer 'pure' (Hazeu, 1990: 113). The change to new instruments with less overt governmental interference in day to day affairs, yet strong steering on strategic issues, makes the *HOAK* policy turn fit into the NPM narrative.

However, the empire struck back, or rather, the network talked back. Academics did not accept these 'attacks' without struggle. The notion of externally programmed research agendas was generally rejected. In their view, creativity and serendipity, inextricably attached to basic research, could and should not be controlled externally. Moreover, who possesses, except the practitioners themselves, the knowledge to programme and assess research anyway? At the end of the day it became clear that despite the efforts of the government, or society at large, to have an impact on the research agenda, the academics' powerful position remained to some extent intact. For example, one of the (by politicians unwanted) effects of introducing national research programmes was that they were used to protect researchers from outside interference. National research programmes, if they reached the basic levels of the university at all, had the tendency to be formulated in broad and vague terms. They left ample room for researchers to do their own thing, especially in the humanities and social sciences, which did not have a tradition of programmed research (Whitley, 1984). Moreover, within the new structure many traditional mechanisms such as peer reviews stayed in place. Consequently, academics

remained at the heart of programming public research and discipline-based criteria still played the major role. In other words, the academic self-governance survived within the parameters set by external stakeholders (admittedly, the parameters were tighter than before); continuity and change at the same time.

Besides, the impact of external parties has been present ever since the 1980s. In 2003, for example, many Dutch researchers thought that research themes in the Netherlands were determined to a significant extent by non-academic parties (NOWT, 2004: 154). Yet many researchers have the feeling that research will flourish if researchers are 'left alone'. Researchers apparently still cherish their professional autonomy concerning the selection of research themes (de Boer, 2003; NOWT, 2004).

The new governmental steering philosophy opened the door to more pronounced competition. Universities were expected to display more market-type behaviour. They should establish distinct profiles; mission statements and strategic planning 'suddenly' became common and universities were stimulated to create their own niches. For several reasons they were 'invited' to intensify their efforts to increase private funding. Both in teaching and in research, universities increasingly tried to sell their services on 'real markets'. And indeed third party funding has grown since the mid 1980s. Nowadays no single Dutch university would survive without it. However, by entering new markets the universities faced new competitors. The rules of the game, which used to be determined by the government and the academics, were increasingly affected by a completely different regime, i.e. the market and its logic of looking at the bottom line of results.

One of the most profound effects of the shift in governance has been the increased importance of the central institutional management. This level in the higher education system was traditionally very weak in the Netherlands. In the *HOAK* paper and related documents the minister clearly stated that institutional management had to be strengthened for universities to be successful in a competitive world. Moreover, drawing up institution-wide strategic plans legitimated a more active role of the central management. The formal authority distribution within the university, however, did not substantially change, although the balance of power gradually shifted in favour of the executives within the universities (see de Boer, 2003). The real tilting of the balance of power within the universities would happen in 1997.

In sum, in just 1 decade the modes of coordination in Dutch higher education had changed profoundly. With respect to state regulation one observes deregulation, even if its degree or effectiveness may be questionable. The government's focus had shifted from detailed *ex ante* measures to *ex post* evaluations, from input to output control. At the same time, numbers of stakeholders and levels of competition increased; the research agenda was no longer determined by academics only, and universities intensified their market behaviour. And first steps were set towards strengthened institutional management for enhancement of institutional autonomy. 'Management self-regulation', as we have called this mode of coordination, was emerging. Academic self-regulation was on the decline, which does not mean that academic self-regulation had ceased to exist. Academics still had the upper hand in decisions regarding teaching and research, but increasingly they had to take note of others. This situation is not easily captured in terms of NPM *versus* NG. In short,

it seems that an effort to introduce a more NPM-oriented steering philosophy into the higher education system led to a strengthening of network governance, but with new players in the network gaining power, i.e. the institutional level. It may be argued that the emergence of this new layer was an intended effect of the policy-makers behind the HOAK ideas. In that perspective we may wonder whether policy-makers were trying to follow an NPM agenda or trying to move towards more network governance – *if* they saw those as different narratives. Given the strong emphasis on management of the higher education system and economic aspects (incentives, competition, etc.), from the outside it would seem that their narrative was related more to NPM.

5.4 Continuing Along the Same Lines: The 1990s

Whereas the 1980s can be regarded as a decade in which, after some relatively severe interventions, the Dutch government introduced new steering philosophies, concepts and rule structures – the *rise* of the evaluative state (Neave, 1988) – the 1990s can be seen as the further advancement of these concepts, including greater market orientation towards and in the university sector. This decade in the Netherlands could be typified as the *institutionalisation* of the evaluative state. In the 1990s, further restructuring took place, by and large – often explicitly – in keeping with *HOAK* paper vision. However, this does not imply unchanged modes of coordination. And a new dimension is added: Europeanization. A new player, abstractly called the European level, increasingly seems to affect the game of higher education and research, either through the national government, or by stimulating competition among institutions.

During the preparations of a new national bill for Dutch higher education in 1992, the minister argued that a *selectively interfering* government was a more appropriate description for the new steering approach towards higher education in the Netherlands than ‘steering from a distance’. His notion was not meant to ‘bring the state back in’, but to stress that the government did not intend to be sidelined. Besides setting the parameters for the university sector, the government would intervene if necessary. The government remained responsible for the quality of Dutch higher education and research, as required by the Constitution, but it tried to meet this objective in a different way.

In the *HOOP*-document 2000, deregulation and self-regulation of the universities were stressed time and again. In the same document though, it was briefly suggested that the future relationship between the national government and the universities could be characterized more as a contractual relationship (*HOOP*, 2000: 37). This idea of a contractual relationship was enlarged in the next *HOOP*-document, in 2004. Here the minister has expressed her desire to establish a system of performance-based agreements between the ministry and the individual universities. This bilateral, contractual approach was new in the relationship between government and the university sector in the Netherlands. In this contractual view, the individual

university is the minister's 'point of application', not the cognate sector as in *HOAK*. This underscores the increasing importance of the institutional level in the higher education structure. The minister argued that such a revision of the steering philosophy required a new higher education and research act (*HOOP*, 2004: 55). At the same time the *HOOP* 2004 document still exuded a *HOAK* atmosphere. The relationship between government and universities was characterized as a policy-driven dialogue just like before. The performance-based relationship between the national government and the (individual) universities was not completely at odds with the *HOAK* steering philosophy. This philosophy, amongst others, stood for output control and evaluation *ex post*. Performance indicators were part the government's initial plans for a new quality assurance system around 1985; in that sense we were 'just' facing implementation of 20-year old policy ideas (for a previous attempt, which first had failed because of opposition from the higher education institutions, see Dochy et al., 1990).

In 1997, the Dutch parliament passed the bill on Modernisation of University Governance (*MUB* is the Dutch abbreviation), which marked the end of an era of participatory modes of internal university governance. The internal governance reform can be regarded as one of the final comprehensive institutional changes in the light of the *HOAK*-philosophy. One thought behind the reform was that universities needed stronger institutional management, especially at the central and middle levels. Another reason was related to the constant criticisms and perceived shortcomings of the then existing structure dominated by democratically elected councils representing all groups of staff (academic and non-academic) as well as students (who held 33–50% of the seats depending on the type of council). According to the new Act, executive leadership was strengthened, power concentrated, and representative bodies stripped from their main responsibilities.

Prior to the 1970s, Dutch university governance had been in the 'continental mode', where state bureaucrats and academics dominated internal decision-making (Clark, 1983). Authorities of academic and non-academic affairs were separated in different bodies. This co-existence of bureaucratic co-ordination and academic self-governance was called *duplex ordo*. At the universities the nation state was represented by a Board of Curators, responsible for upholding laws and regulations, for administration of the university finances, and for personnel policies. The other pillar in this pre-1970 structure was the Senate, made up of all full professors, which embodied academic self-governance.

During the 1960s, concerns grew regarding the effectiveness and efficiency of traditional forms of internal university governance, caused by the unprecedented growth of participation in Dutch higher education. These concerns were overshadowed by demands for (more) democratic participation. This democratic movement fermented turmoil in Dutch higher education, especially after 1968, and resulted in 1970 (extremely quickly) in a new, democratically-oriented Act of University Governance, *Wet op de Universitaire Bestuurshervorming* (WUB). The WUB-Act attracted criticism from the beginning, but constituted the formal backbone of universities up to 1997.

The 1997 Act 'Modernising University Governance' (*MUB*) indicated a substantial change, though the magnitude of change in reality is debatable (e.g. de Boer et al., 1998;

commissie-Datema, 1998). The new governing system concentrated executive and legislative powers. All members of the crucial governing bodies – the supervisory body (*raad van toezicht)*, the central executive board (*college van bestuur*), and the dean (*decaan*) – are appointed by the body from the 'upper level'. Appointments replaced elected representatives. The structure was centralized in several ways. For instance, the organization's third layer, Clark's 'basic units', the previously powerful departments (*vakgroepen*) were abolished. Since 1997, the dean had the authority 'to arrange the faculty's organization' (which might but need not include departments). Also, ultimately the dean decided about the research programme of the faculty, which of course was not necessarily the same as that the dean determined the contents of research. From a formal point of view, the role of the dean regarding the strategic aspects of the primary processes increased at the expense of the academics.

In this respect the MUB Act can be regarded as another decline of academic self-regulation. The 1997 Act was characterized by (vertical) integration, coherence, hierarchy, centralization and concentration of powers; all at odds with traditional values in academic self-governance, which seems to indicate a further turn towards NPM. However, in practice old habits only die slowly, if at all. We should not underestimate the continuing influence of academics on institutional decision-making, as achieving consensus remains important for smooth operation of Dutch universities. Thus formally the 1997 Act clearly embraces the management self-regulation as a mode of coordination, away from academic self-regulation and state regulation; informally academics still have a role to play.

The MUB act is at the same time an example of enhancing institutional autonomy (deregulation, strengthening the network component), since universities have been given more discretion to design their own structure, although the government's legal framework remains rather directional. Finally, in terms of our modes of coordination the new 'constitution of the university' promoted 'lay' outsiders to prominence, as they make up the *raad van toezicht* (supervisory board). Much knowledge about their actual functioning and impact is not at our disposal. They remain mystery guests for many, also inside the universities.

Another example of outsiders inside the university form 'expert councils', which may advise for instance concerning research. Such councils are not legally obligatory, yet several universities, both at the central and the faculty levels, use them as sensors for developments in their environment. This lay influence is not (necessarily) a consequence of the MUB. Expert councils have been around for some time, though their number seems to have increased recently.

In sum, recent developments remain ambiguous regarding their interpretation in the NPM *versus* NG debate. Partly, the interpretation depends on which level is chosen as the researcher's focus. The MUB and associated changes since the 1990s from the work floor level seem to entail a continuing decrease of autonomy, although as we maintained old habits die slowly if at all, as university managers depend on the loyalty and commitment of the work floor. (Remember that universities are notoriously 'bottom-heavy' organisations.) Looking from the other end, i.e. the national government (selective) intervention has been stressed more than in the 1980s. Yet, by taking the institution rather than the cognate area as the main object for policy,

the government gave more power to its most potent 'opponents' in the system. Thereby it gave more power to this class of players in the network, for the higher education *system as a whole* leading to increased network governance.

5.5 Tracers Issues

What conclusions can be drawn from this general picture of changing steering of universities in the Netherlands for the two tracers in our study?

5.5.1 Doctoral Programmes

Developments regarding doctoral programmes are closely related with the general statements we made about steering of higher education and research. The starting position, until the early 1980s, was the traditional, German-inspired apprenticeship model of the individual *doctorandus* doing her (or more often: his) research under the guidance of an individual *promotor*, who at the same time usually was the direct hierarchical superior of the candidate. Moreover, especially in the humanities and the social sciences (which were only establishing themselves as disciplines after the Second World War) the dissertation was often seen as the *opus magnum* of (half) a lifetime's work as a university *docent*. The next career step, in most cases upon indication of continued research activity but without further formal requirements, would be the doctor's gaining a chair, which would give the (life-long) right to the title of *professor*. By the early 1980s, change started with new entrants into the academic staff of universities could be appointed as 'research assistants', with a temporary appointment enabling them to research for a dissertation to be completed in 4 years' time.

More significant changes came with the reform of the two-tier degree structure in the early 1980s. The main effect of this policy was shortening of university study programmes for the *doctorandus* degree (master's equivalent, according to the law) from around 5 down to 4 years, with exceptions for medicine *cum annexis* (remained 6 years) and, after more than 10 years of debate (Goedegebuure et al., 1993a), engineering and natural sciences (back to 5 years). More important for our tracer was the introduction of a second tier. Selected students who had finished their first degree would be given the option to enter the second tier, consisting of (1) professional courses of about 2 years' duration, (2) teacher-training courses for 'senior high school' teachers, or (3) research fellowships (Bijleveld, 1989: 34). Research fellows or 'assistants-in-training' (*AiO's*, in Dutch), just as their immediate predecessors, the research assistants, would be appointed as temporary university staff, with the focused task of doing research to finish a dissertation within 4 years. New was that they were expected to do formal *coursework* during the first year, especially in research methodology (Bartelse, 1999: 95), as such competences could no longer be expected from the 4-year graduates. At the same time this gave the government an argument to reduce their salaries compared to the research assistants, who were already cheap in comparison with the entry salary until the 1980s.

Focusing on the second tier, debate in parliament concentrated on its selectivity: parliamentarians wanted a generous amount of places for first tier graduates (40%, later compromise proposals mentioned 30%). The minister did not make concrete promises. By 1988, there were about 2,500 research fellowship positions (Bijleveld, 1989: 43). It remained possible to gain a doctoral degree outside of the AiO-system, for instance for the 'backlog' of university *docenten* who had not obtained a doctoral degree before, and also for dissertations written by persons working outside the university system.

The second main step in reorganising doctoral programmes was the introduction of 'research schools' or 'graduate schools' in 1991. Formal courses for AiO's had mainly developed during the 1980s in the natural sciences (where they were a tradition arising from the disciplines' autonomous developments). In some disciplines, loose inter-university co-operations called *AiO networks* had come into being, but mainly 'the AiO-system … did not provide adequate mechanisms to shape the second tier of higher education in a satisfactory way' (Bartelse, 1999: 98). The minister of education in 1990 opined that there were three main reasons for a next step (Bartelse, 1999: 98–99):

For AiO's to be successful in 4 years, structured and well-supervised training is needed.

Under increasing internationalisation, it will become increasingly necessary to attract top-level researchers, for which establishing centres with critical mass is necessary.

Current policies did not allow the selectivity needed to assure quality of research, researchers and research training.

Accordingly, the research schools that were aimed at would have more functions than just doctoral training. Collecting 'excellent' researchers to gain international attractiveness was an important second goal, and in the government's paper the order was reversed: research schools were defined as centres of high quality research in which structured training was offered to young researchers (as quoted in Bartelse, 1999: 100), for excellent research training needed an environment of high quality research. Research schools were expected to emerge in all fields of knowledge ('breadth strategy'). They were firmly grounded in the existing disciplines; there was no agenda of stimulating new, interdisciplinary fields of study.

The minister proposed a three-stage process for establishing research schools. In a bottom-up fashion, academics were expected to take initiatives for research schools in a disciplinary area, with backing of a university board to establish the school legally (e.g. as a research institute). The second stage involved recognition of (an undefined number of) research schools, with criteria focusing on programme and composition regarding senior researchers. Recognition was necessary for funding. The third stage concerned selection of a very small number of top-level research schools for additional funding ('depth strategy').

The Royal Academy of Sciences, KNAW, hosted the new, independent committee for the recognition of research schools, *ECOS*. ECOS worked through seven sub-committees, each covering a broad cognate area. Recognition, if given, was for

a limited period of 4 years, after which the ECOS procedure had to be repeated and recognition – hence funding – could be lost. In fact, this recognition process was the first instance of accreditation in the Dutch higher education system.

The reception of this new doctoral training institution differed across academe. In natural sciences, it was perceived as unnecessary relabeling of long-existing practice. In humanities and social sciences, there was much hesitation about this radically new idea; a linguist saw no indications for the need for a research school in this field (quoted in Bartelse, 1999: 102), moreover it involved much complicated bureaucracy to gain cooperation of departments, faculties and boards across universities. Nevertheless, gradually the utility of research schools not only for doctoral training but also for strategic research purposes prevailed amongst academe and the number of recognized research schools grew in all disciplinary areas (see Table 5.1).

Table 5.1 shows that some areas established research schools immediately (natural sciences, engineering and health sciences), but the big leap took place after 2 years, when the total number suddenly increased from 24 to 62. Social sciences and humanities contributed much to this 'explosion' in 1994, but the largest increase occurred again in the natural sciences. Probably, then, the large increases in 1994 (and 1995) not only had to do with growing acceptance of the research school in the different cognate areas, but also with the time ECOS and the institutions needed for the recognition procedure. Besides the recognized research schools, unrecognized ones continued to exist; in Law, for instance, there were six unrecognized ones in 1998.

It seems, then, that the research schools gained legitimacy quickly across all areas of knowledge. However, participation rates of doctoral candidates differed much across fields. Moreover, ways of acceptance of research schools in the disciplines were different. Bartelse (1999) provided examples of full acceptance of this innovation but also of resocialisation, i.e. giving a twist to the policy instrument to suit the purposes of the actors in the universities. He concluded that 'the relative prosperity of the system of graduate schools in the Netherlands is a result of its relative open way of exposing the innovation to the system: schools can be established at the initiative of the university, and disciplinary differences can be accommodated' (Bartelse, 1999: 207). The explanatory factors, Bartelse found, were Levine's general factors for success of innovations: profitability and compatibility.

Table 5.1 ECOS recognized research schools (total number in existence) (Bartelse, 1999: 103)

Area	1992	1993	1994	1995	1996	1997
Agriculture	0	1	2	5	5	5
Economics	1	1	1	1	2	3
Health	5	6	12	13	15	15
Humanities	1	1	6	11	14	14
Law	0	0	0	1	1	2
Natural sciences	7	8	21	25	27	28
Social sciences	1	2	10	15	17	18
Engineering	4	5	10	15	17	22
Total	**19**	**24**	**62**	**86**	**98**	**107**

We add one remark from another perspective that is relevant in this paper: the research schools were among the first structures governed on managerial principles in Dutch universities, pre-figuring in this respect the MUB changes for the universities as a whole.

The introduction of research schools for doctoral training provides an example of the intricacies of steering universities. The initiative lay with the government, which tried to steer universities in a certain direction. The success of the policy depended on the co-operation of the academics, however. Resocialisation indicates that 'the essence of institutions can frustrate sticks and carrots […] but sticks and carrots can work!' (Bartelse, 1999: 206–207). There was a balance, apparently, between governmental steering and self-regulation (both academic and managerial) that explained the dynamics of this policy.

5.5.2 Research Funding

The funding model for universities has seen a lot of acronyms and changes over the years. The current understanding in Dutch higher education starts from distinguishing three 'streams' of money:

The *first stream* is the standard governmental grant.
The *second stream* concerns the research councils' award of projects on a competitive (peer review) basis.

The *third stream* includes the contracts with third parties, usually for applied research or contract teaching.

Due to the third stream's mixed character and little bearing on fundamental research, we shall concentrate on the first and second money streams. The sizes of the three streams are widely different, the first one being by far the largest. Table 5.2 shows data for 2002.

The models used for the first stream were a major element in the Ministry's steering efforts. The ATOOM model used between 1960 and 1977 correlated funding with the number of students, including research funding. 'The main message of BUOZ [of 1979] is that the universities should be motivated to pursue their own research policy' (Hazeu, 1990: 79). Then came, after the short-lived ITT and BUOZ models,

Table 5.2 Sources of funds of universities and colleges, 2002 (*CHEPS* [based on information from Cfi])

Source of funds	Universities	Colleges
Block grant and other core funds (first flow)	66%	74%
Research council grants (second flow)	5%	–
Contract teaching, contract research (third flow)	23%	8%
Tuition fees	6%	18%
Total	**100%**	**100%**

the PGM model in 1983 (related with the Conditional Funding to which we come back in the next paragraph), HOBEK in 1993, STABEK in 1997, PBM in 2000 and BAMA since 2003. Since 1983, there has been a stronger link between funding and output.

The introduction of the system of conditional funding in 1983 aimed to programme a part of academic research in all knowledge areas, and to reward good research programmes with funding. Both research programming and differentiation of funding based on quality were until then unknown phenomena in Dutch higher education. Under conditional funding, the government would only grant (a proportion of) academic research on the basis of research programmes that were positively appraised by external, disciplinary-based committees. Five years after its introduction, Spaapen et al. (1988) concluded in their evaluation report that professors still had substantial influence on their research. In many cases, the individual interests of professors determined the composition and implementation of the conditional funding research programmes. Especially in the first years of the system of conditional funding, university executives and professors formed coalitions to develop 'common sense' programme proposals at short notice. In many cases negotiations were unofficial talks or took place in committees where professors exercised their power based on their expertise and subject knowledge, the crucial prerequisites for the design of research proposals.

Moreover, the peer review process introduced by the government and organized by the Royal Academy, resulted in bland results: the peers refused to judge any programme as 'excellent' and gave only very few grades of 'insufficient', leaving the government very little opportunity for reallocation of funds with well-nigh all programmes judged 'sufficient' (Spaapen et al., 1988). In the second 5-year round, this situation hardly changed.

Conditional research funding therefore failed as a policy instrument to re-allocate research funds, but it succeeded in restructuring the research landscape. All research submitted for assessment was grouped into research programmes: these research programmes became a lasting characteristic in the Dutch research system, covering, at first, already a significant percentage of all the universities' fundamental research, and later practically all university-based fundamental research. 'Even when after two five-year rounds the CF [Conditional Funding] faded away at the national level, most universities kept these research groupings for their internal administration, and they were at the basis of other research policies developed by the Ministry of Education & Science' (Jeliazkova and Westerheijden, 2004: 329).

After this decade of Conditional Funding, research assessment on behalf of the government was changed into a research evaluation on behalf of the university administration, performed by peer teams under the aegis of the VSNU. Quality information became an important management tool inside the universities (Westerheijden, 1997), sometimes leading to restructuring of research groups and their programmes, without any overt governmental intervention. However, the research evaluation information is public, and has been read with great interest by the government, witness the following quote: 'From the research evaluations it appears that inferior research virtually has been abolished [in universities]. Therefore, I [the minister] do not see a motive for governmental policy to make an end to inferior research' (Ministerie … 2003: 9).

This quote shows that the Minister might consider intervening if the occasion arose, although the introduction, subsequent abolishment of the Conditional Funding policy and (partial) replacement by the VSNU research evaluations first and foremost is an excellent example of self-regulation, combining peer and managerial elements (with the managers dominant).

The current funding model is essentially the same as the 2000 one, though the educational part adapted to the newly introduced Bachelor–Master structure. Briefly, we now have a *performance-based funding model*, abbreviated to PBM (in Dutch: *PrestatieBekostigingsModel*). It is a *distribution* model, which means that it is not an 'open-ended' allocation model with fixed prices per student or per 'output'. The parliament determines the total budget for the university sector; the PBM is used to distribute the total sum across the individual universities. In addition to the PBM allocation, universities receive allocations for academic teacher training, for academic hospitals, and for unemployment benefits paid to former university employees. The PBM allocation consists of a *teaching* component (mainly based on numbers of entering students and degrees awarded) and a *research* component. 'Some 36% of the universities' core funds is allocated in relation to teaching activities, whereas 64% is related to research.' (De Boer, 2004). The *research component* of PBM consists of five parts:

(a) A basic allocation for each university
(b) Allocation for Ph.D.s and designer certificates (in Dutch: *ontwerperscertificaten*)
(c) Allocation for research schools (in Dutch: *onderzoekscholen*)
(d) Allocation for top/excellent research schools (in Dutch: *toponderzoekscholen*)
(e) Strategic considerations allocation

Part (a) amounted to 15% of the research component and had some link to student numbers in the BAMA model again (as before 2000). Part (b) was good for around 12%, (c) and (d) 3% each.

Obviously, then, part (e) took up the biggest part, namely 66% of the research allocation in the first stream. With the introduction of the BAMA funding model, the percentage for (e) has been reduced somewhat to make the new model's introduction 'budget neutral' for each institution, but it remains the largest part. The name derives from the original plan that the minister would base his research allocations on the quality of a university's research and an assessment of the relevance of a university's research for society. However, this plan was never realized, partly because of the consequences this would have in terms of reallocations between universities and the ensuing unemployment benefits for academics that would face dismissal. Another important reason was that a reshuffling of research funds would be seen as a major intrusion on the university's autonomy. So far, the universities have been successful in avoiding any re-allocation within this component for more than 15 years, although some (relatively new and expanding) universities have sought to get a higher strategic considerations allocation. These 'strategic considerations' are a source of stability in the division among institutions of the otherwise fluctuating university budgets, and this result shows the power of the university managers in relation to governmental steering.

The performance-related elements in the model (which ostensibly is a performance-based funding model for 100%) are (b), (c) and (d), making up just over 20% of the research budget. The premium (b) is for each postgraduate degree awarded – i.e. Ph.D., or designer certificate – and is based on 2-year averages. The rate for science Ph.D.s is twice that for humanities and social science Ph.D.s.

From the early 1990s onwards, the establishment of *Research Schools* has played a role not only in doctoral programmes (treated in the previous section) but also as a funding element. Part (c), the first of the two components for research schools, is allocated to the universities proportional to the sum of parts (a), (b), and (e). This allocation, which existed from 1998 onwards, is meant to stimulate universities to establish accredited research schools. Since 1999, the minister moreover allocated funding to a limited number of 'excellent' research schools. This is part (d). Six schools, all in natural sciences, receive this extra funding for a limited period. The Minister made the selection after consulting the Dutch research council NWO (not the Royal Academy, KNAW, which was responsible for the recognition defining part (c) of the budget). Although the Minister had planned to extend this so-called *depth strategy* to the social sciences and humanities, he abandoned this policy and introduced instead an Innovation Fund (in Dutch: *Vernieuwingsimpuls*), based on resources freed up by NWO, the first funding stream, and the universities themselves. NWO administers this Innovation Fund and allocates competitive research funding on the basis of proposals from researchers. This makes part (d) a mixture of first and second stream principles.

The first stream money allocations are made to the university's central managements. They are not targeted to faculties or departments. The idea is that the university's central management is responsible for distributing the first flow of funds across its various faculties, programmes, departments or institutes.

In all, the government does not seem to have been very strong on steering its main part of research funding. And to the extent it does, simple rules such as student numbers seem to have been more important than sophisticated strategies. Moreover, managerial self-regulation apparently was a strong governance principle, partly in relation to the HOAK philosophy introduced in the 1980s, but partly sheer inertia seems an equally strong explanation.

Concerning the second money stream, research council (NWO) funds represent around 5% of total university revenues (and 7–8% of the universities' total research income). The 'mixed' element of excellent research school funding mentioned in the previous subsection, part (d), adds about half as much to the money controlled by the NWO. The principles it applies in distributing its funds are those of competition, judged by peer review. The only – though not unimportant – limitations to the academic self-regulation are that not all research project proposals fit equally in the criteria that NWO applies. These criteria amount to research programmes in their own right.

An illustrative case is the programme on *Shifts in Governance* (Van Kersbergen and Van Waarden, 2001), started in 2001 for public administration. NWO invited the academic community to develop and discuss a programme in exercise of academic self-regulation. Once agreed and published, most of the subsequent research projects funded are expected to fit into this programme. Every other year,

NWO also has a free competition for research proposals in the field of public administration that do not fit the programme's aims.

Whether a sign of healthy research climate or of scarcity of funds, the chances of winning an NWO grant are slim. Hard public data are not known at the moment, but common wisdom in the academic community is that circa 7% of all proposals get funded.

The history of research funding through the research councils remains to be written (although there is Hazeu, 1990). We venture to state that its main argument would be that there were several efforts by the government to shift funds from the first to the second stream of funding, but that these efforts largely were thwarted by opposition from the universities; the competitive funding of research schools (part (d) above) in this respect was one of the few breakthroughs. The government tried to insert more competition into the research world. An historical overview would have to answer the question whether this was marketisation in a pure form or rather academic self-regulation instead of the current managerial self-regulation through the institutions? Such a study would probably also come across fear by academics to lose control to the 'higher' levels in the system: NWO has programmes, which are partly informed by policy goals and societal needs rather than 'pure' disciplinary drives, although a counter-example was mentioned above. There might be a tendency of academics protecting (academic *and* managerial) self-regulation against stakeholderism in NWO and direct governmental regulation.

5.6 Concluding Discussion – A Mix of Narratives and Path Dependency

The midst of the 1980s brought fundamental changes for Dutch higher education. In 1985, the government introduced the concept of 'steering from a distance'. Firm beliefs in the virtues of regulation and planning were replaced by a philosophy in which the government's role was confined to setting boundary conditions within which the higher education system was to operate.

This approach embodied a stronger role of the government in the form of *stakeholder guidance*, whilst state regulation lost its naturalness. By means of deregulation and devolving authority, the government promoted self-organisation of the sector, or at least gave that impression. The government's focus shifted from detailed *ex ante* measures to *ex post* evaluations; from input to output control. At the same time, the number of stakeholders increased; the research agenda was no longer set by academics only. The relationship between government and universities may be characterized as a policy-driven dialogue: The universities were explicitly invited to develop their own strategic plans, though within the parameters discussed, or negotiated, with the national government. Along these lines, the idea of a contractual relationship between the government and the universities has recently been put forward. This bilateral, contractual approach may be regarded as a relatively new aspect because the individual university forms the minister's 'point of application' and not the university sector as a whole.

State regulation has, however, not entirely disappeared. The number of rules stemming from the government is still impressive and the national government still imposes reforms through laws and decrees. In exchange for more autonomy, the government regards more accountability necessary to fulfil its constitutional responsibility for the provision of higher education. Attempts are made to give other stakeholders a role in overseeing higher education institutions. Yet, we would endorse the assessment that hierarchical control is still clearly visible (if not dominant). Within this type of control, shifts have taken place from strong direct regulation toward softer forms. Government has also repeatedly emphasized its interventionist capacities in cases of systemic failure or low performance.

At the same time in the 1990s, the tools of government increasingly changed from directives to financial incentives. Performance-based funding became more widely used. More *competition* for students and research funds can be witnessed, though full-blown markets are nowhere near. Thus, a still strong government goes hand in hand with increased competition (more [quasi]market orientation). Universities are expected to display more market-type behaviour and should establish more distinct profiles to place themselves on the market. In terms of research one might think of the competition for research grants and the competition on the markets of 'contract activities'. In terms of teaching, universities compete both for national and international students. And, particularly in the near future, after the baby boom generation retires, the competition for staff will increase due to scarcity on the academic labour market.

Another important change concerns the strengthening of *managerial self-governance* via executive leadership within the universities. The wholesale redistribution of authority throughout the system over the last 20 years has undoubtedly strengthened the position of the university as a whole. The universities have received more discretionary room to draw up their own strategic plans, at least in some areas: lump sum budgeting, administrative and financial control over property and buildings, appointment and management of staff, and internal organizational structure. Particularly, the roles of the executives and managers have been strengthened. This is obvious if we take the new governance structure as an example, but also the number of responsibilities assigned to the central level of the university has increased. In terms of non-academic matters, authority has been devolved from the ministry to the top level of the university. At the same time, compared to the past, academic matters have been 'centralized'; what was once exclusively decided at the basic levels in the universities is nowadays (partly) determined at the institutional and even national levels, without the traditional collegial decision-making e.g. in a senate made up of senior academics.

Academic self-governance is thus reduced, amongst other things, through the introduction of 'conditional research funding', which increasingly pushed academics to program their research. Representative bodies of academics, non-academics and students in universities have become advisory instead of decision-making bodies. In other words, they were stripped of their main authority. By the end of the 1990s, collegial decision-making within universities had lost much ground. However, the academic communities continued to play a serious role through national evaluation exercises and in the development of national research programmes. The establishment of the doctoral schools also illustrates how state-induced reforms were taken up by

the academic community and transformed into new forms of intra- and inter-organisational academic networks.

From a bird eye's view, the Dutch experience can be identified as a mixture of elements of New Public Management and Network Governance. These two are not to be seen as alternative models underlying efforts to change the modes of coordination, but rather as *complementary* models or narratives. This means that we will contend that reform was inspired by a NPM narrative mainly, while the 'Dutch polder model' of NG, as it plays out in higher education, still has a role to play, though partly with different parties at the table. At the same time, *Rechtsstaat* principles have been maintained and were coupled more closely to stakeholder guidance. In other words, the path dependency of the *Rechtsstaat* and neo-corporatist traditions in the Netherlands deflected and constricted the possibilities to change toward hard NPM – if that was the aim. Whenever the academics had to retreat a few steps from their academic self-management, they found a new manner to maintain some of their influence. In the same way, when the state retreated from traditional forms of control in favor of self-regulation of the higher education sector, it stepped back towards control through different steering manners. There certainly was not a linear movement, but rather an Echternach-like procession, with two steps forward and one step back, or a reverse variant with two steps back and one ahead, and most probably there were side-steps to left and right as well for each of the parties involved. It remains to be seen whether this reflects an intermediary state of affairs leading to a more or less pure model situation, or whether hybrids of national-specific configurations with NPM, NG and traditional elements will continue to step in this and that direction as a path-dependent procession of reforms.