ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Emerging Policy Directions from the OECD Thematic Review of Tertiary Education

Promoting dynamic and responsive universities: How best to widen the scope of institutional autonomy while ensuring effective accountability?

Parallel Session 3A - Autonomy and Accountability

Presentation by Paulo Santiago, Directorate for Education, OECD

Modernising Universities in Europe
A High Level Meeting organized by the Portuguese Presidency of the European Union
Lisbon, 6 November 2007

PORTUGAL 2007

Outline of Presentation

Part 1: The Issue

Universities: Contribution to social and economic goals

Part 2: Trends

Balancing institutional autonomy and accountability

Part 3: Emerging Policy Directions from the OECD Thematic Review of Tertiary Education

- A shared strategic vision for tertiary education

- Widening institutional autonomy

- The steering of tertiary education: the "Facilitatory State"

- Establishing a balance between institutional autonomy and public accountability

Universities: Contribution to social and economic goals

Primary roles

The creation of capabilities (primarily through teaching)	The building of knowledge bases (primarily through research)	The diffusion of knowledge	The maintenance of knowledge

The tension: Between the servicing function of the individual university to external interests and the innovative pursuit of knowledge generation.

The objective: How to reconcile priorities of individual universities and broader social and economic objectives of societies?

Industry and Employers	Individuals	Communities

Society's needs

The challenge: Policies that achieve accountability and link institutional performance to societal purposes while also permitting a wide scope for institutional autonomy

Balancing institutional autonomy and accountability: Trends

Most OECD countries converging around a shared vision of tertiary education policy

- Reducing State Control and Widening Institutional Autonomy
  - Detailed administrative direction diminished
  - Institutional autonomy widened

- From Subsidy to Steering
  - Steering role of educational authorities reinforced
  - Greater role for accountability mechanisms

- The increasing role of market mechanisms and the recognition of the shortcomings of competition

Policy directions – Element 1

A shared strategic vision for tertiary education

Develop a shared strategic vision for tertiary education

- Devise a statement of strategic aims for tertiary education which gathers consensus among relevant stakeholders

   Coherent vision in harmony with national social and economic objectives

-Ensure the coherence of the tertiary education system where there is extensive differentiation

   Improve transfers between different types of institutions within TE

- Require institutions to establish strategic plans

   Basis for general accountability; to be published; intrinsic value

- Define the mission and profile of individual institutions

-Enhance the international comparability of tertiary education

   E.g. adopt Bologna-compatible degree structures, join credit transfer schemes

Widening institutional autonomy (1)

Legal Status

Either: (i) as state agency with substantial delegation of operating autonomy; or (ii) as "legal person".

Staff

Institutions to have ample autonomy over the management of human resources, which could include:

- Faculty and staff to be formal employees of tertiary education institutions
- Institutions with broad discretion over the setting of academic salaries
- Institutions with the freedom to create academic positions in agreement with the strategy defined by their governing authority
- Institutions to determine the range of career structures which better reflect the distinct roles academics play within them
- Institutions to be given the responsibility to design promotion systems, assessment systems and professional development strategies

Students

Diversify criteria for admission and give a say to institutions in entrance procedures.

Widening institutional autonomy (2)

Funding

– Institutions to be autonomous in the use of their block grants
– Funding to offer some stability for long-term development
– Institutions to set prices, possibly within stabilisation policies

Supply of programmes

– Institutions to have ample autonomy over the supply of educational programmes
– Increase the capacity of institutions to respond to demand

Research

– A share of public funding for research to be received as a block grant
– Academics to benefit from freedom to select research topics and approaches to research, possibly within priorities defined collectively either at the institution or system level.

Policy directions – Element 3

The steering of tertiary education: the 'Facilitatory State'

The steering of tertiary education

- Establish sound instruments for steering tertiary education
  Funding mechanisms (e.g. performance-based; competitive funds; targeted funds); quality assurance framework

- Ensure that the capabilities of Ministries keep pace with changing responsibilities
  From administration to policy steering and performance evaluation

- Develop an evidence basis to inform policy making and monitor outcomes
  Associated with information strategy; Assess extent and origin of equity issues; Labour market outcomes; research outputs

  -Encourage institutions to become proactive actors of internationalisation
  Create framework conditions to make TEIs more responsive to international envt.

- Encourage inter-institutional collaboration
  e.g. Sharing of facilities; joint degrees; centres of excellence.

- Improve methods for (research) priority selection
  Lack of systematic approach; tends to focus on high-technology rather than national technological specialisation; need to consider social sciences and humanities.

Policy directions – Element 4

Establishing a balance between institutional autonomy and public accountability

Balancing widened autonomy with effective accountability (1)

The role of the quality assurance framework

- Ensure that QA serves both improvement and accountability purposes
  - Find the right balance between them

- Develop a strong quality culture in the system
  - Make internal QA systems mandatory, incentives (*e.g.* publish quality-related info)

- Combine internal and external quality assurance mechanisms
  - Most effective to address the different purposes of QA

- Put more stress on internal QA mechanisms
  - Less costly and more effective than periodic and comprehensive external reviews
  - Role of QA agency: technical assistance, promote dialogue and best-practice

- Increase focus on student and research outcomes
  - Shift focus from inputs to learning research and labour market outcomes

- Broaden the criteria used in research assessments

- Avoid direct links between assessment results and public funding decisions
  - Prefer *ex-ante* links (*e.g.* to be eligible for funding) to *ex-post* links with funding

- Develop alternatives to current global rankings

Balancing widened autonomy with effective accountability (2)

Funding as a steering instrument

– Making funding approach consistent with the goals of the tertiary education system

> Goals might include expansion, excellence, relevance, equity, social mobility, institutional capacity

– Institutional funding for instruction should be formula-driven, relate to both input and output indicators and include strategically targeted components
– Institutional funding to include targeted development programmes
– Institutional funding to be adjusted to the particular mission of the institution
– Sources of institutional funding to be diversified

– Funding for research to be partly based on quality assessment and to include competitive streams

– Ensure that the funding approach embraces a number of desirable features:

> Transparent, flexible, predictable, fair; permits freedom to innovate; sensitive to institutional autonomy; demand-driven

Balancing widened autonomy with effective accountability (3)

Accountability through market mechanisms

– Use student choice as a means by which to improve quality and efficiency

– Cost-sharing between the State and students, a principle to shape the funding of tertiary education

– Institution to set prices but fee stabilization policies might be needed

– There is a case for fee differentiation

– Overall funding approach to be backed by a comprehensive student support system with portability across the system

– Strengthen credit transfer and articulation arrangements to permit inter-institutional mobility

– Improve information dissemination
  – Results of quality assessments
  – Information about supply of programmes, prices, completion rates, etc.
  – Labour market outcomes of graduates.
  – Information to prospective international students.

Balancing widened autonomy with effective accountability (4)

The direct influence of stakeholders

—Create a national policy framework that provides for the presence of external stakeholders in institutions' governing bodies

– Widen consultation with those outside government to ensure that voices other than those of "producers" are heard

– Make stakeholders visible in the evaluation procedures
Students and employers in external teams, graduate surveys

Final Synthesis Report from the OECD Thematic Review of Tertiary Education to be released in April 2008.

For further information and to download documents:

www.oecd.org/edu/tertiary/review