

Dubrovnik Conference on Higher Education

Addressing questions of institutional reforms in creating the European Higher Education Area.

29 – 31 October 2007

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Introduction

One of the concerns of those of us who work in higher education is the maintenance of an appropriate separation between higher education and governments. In many countries, including Ireland, there has been a long tradition of government respect for academic freedom and institutional autonomy, although this of course is not a universal experience. I would go so far as to say that it is this very respect, and the separation between government and higher education institutions that is its hallmark, which has created strong and innovative higher education systems. But that is now a precarious separation. The thirst of politicians and others to hold higher education systems accountable is a worldwide phenomenon, as higher education increasingly becomes central to the achievement of multiple aims. These include the social and economic development of our countries as well as the personal fulfilment and enrichment of citizens. As governments are convinced by the importance of higher education (and research in higher education institutions) to economic development in particular, they are investing substantial public resources into this area. But governments, not unreasonably, want to know how their investment is spent; what they are getting for their investment; and is higher education delivering on its promises. Governments increasingly need to know that the higher education sector is functioning well and effectively.

Nothing in this is wrong or unreasonable. But the current preoccupation with higher education and its central role in economic and social development potentially holds a danger; a danger that in its quest for accountability and reassurance, government will weaken the walls of separation which in many countries for centuries have protected the higher education system from undue government involvement; and in doing so government will damage irreparably that which it most needs to cherish – an independent, innovative, higher education system.

It will be my thesis in this paper that one way in which that separation can be maintained, and a vibrant autonomous higher education system preserved, is through the medium of an intermediary body. A body which can look both ways, to government and to academe; which can create the space between government and the academy which allows the latter to prosper and the former to achieve its objectives; which can ensure that the traditions of academic freedom and institutional autonomy, married to strong accountability measures, can operate for the mutual benefit of all.

Overview of Presentation

In my presentation today I would like to cover the following:

- The role and functions of intermediary bodies
- Why intermediary bodies have emerged in higher education systems
- The Irish experience of intermediary bodies with particular reference to the role of the HEA
- What I regard as the challenges and key success factors associated with intermediary bodies
- and finally, my perspectives on the role of intermediary bodies in the future

The role and functions of intermediary bodies

For those of you not familiar with the concept of an intermediary, or buffer, body, it is a body which as the name suggests acts as an intermediary or mediator between higher education institutions and Government. Intermediary bodies are independent organisations, generally established by law, which are not part of central government. They are expert-administrative bodies as they have the flexibility to employ people with expertise and experience in higher education (a flexibility which is not always enjoyed by Government Departments). While independent of government, an intermediary body will nevertheless usually operate within a broad policy framework established by government and is usually accountable to government.

Within the higher education sector there can be a range of intermediary bodies fulfilling a variety of responsibilities and operating with varying levels of distance from Government. For example:

- The traditional intermediary bodies are those that have particular responsibility with respect to the funding of institutions.
- Other funding agencies, such as research councils, are also regarded as intermediary bodies. Research councils, like other funding bodies, are ultimately responsible to Government but operate at “arms length” from it.
- Other intermediary bodies include agencies that carry out other statutory functions such as quality assurance or programme approval.

I will focus particularly today on the traditional and most common, intermediary body, the funding body. The HEA is such a body with our primary statutory role being the allocation of Government funding to higher education institutions.

Why intermediary bodies have emerged in higher education systems

In order to be successful higher education institutions need to adapt to a more complex and challenging environment. The expectations from the higher education sector have increased and expanded and higher education institutions are required to deliver on a number of important public policy objectives (e.g. social inclusion, meeting skills needs, promoting economic development, promoting regional and cultural development) in addition to their historic missions of teaching and learning, scholarship and research. Such developments have significant implications for the way higher education, as a sector, is managed.

Today as nations strive to become knowledge societies, Governments have a greater interest than ever in ensuring higher education institutions contribute to meeting economic and social needs. In many of our countries Governments also determine the scale of funding of higher education and have a both the right and the duty to require accountability for those funds.

But accountability does not and should not mean central planning and control. Areas such as knowledge creation, teaching and learning are not areas where the normal systems of bureaucracy are likely to be effective. Higher education institutions are much more likely to flourish and be responsive, flexible and innovative if they operate in an environment characterised by maximum institutional autonomy and carefully targeted government regulation aimed at ensuring accountability.

The governance of higher education then presents something of a dilemma for Governments – finding the right balance between autonomy and accountability; between ensuring that the higher education system delivers on key national objectives while at the same time remaining true to the traditional role of a university. Many Governments have responded to this challenge by establishing intermediary bodies to allocate public funding (which facilitates higher education institutional autonomy) and to monitor the quality of teaching and learning (accountability measure). The role of Government in this model is focussed on the setting of national strategy and defining total funding for the sector.

This approach is well summed up in a 2002 report of the World Bank and UNESCO.

Higher education institutions must be accountable to their sponsors, whether public or private. Accountability does not imply uncontrolled interference, but it does impose a requirement to periodically explain actions and have successes and failures examined in a transparent fashion. All interactions should occur within the context of agreed rights and responsibilities. Intermediary mechanisms may be needed to help determine the appropriate balance between autonomy and accountability.

The World Bank and UNESCO, 2002, p.100

There are a number of ways in which intermediary bodies enhance the operation of a higher education system, making it an effective instrument of public policy while at the same time ensuring that the institutions and the entire system operate with an appropriate level of separation from government and with a high level of autonomy.

One of the key benefits of an intermediary funding body is that its presence limits direct political influence on the higher education institution through the power of funding, and the resulting potential for political interference in the academic affairs of a university. There are clear dangers in a system where government is directly involved in determining the funding allocations to higher education institutions. This danger is enhanced the greater the contribution of government to the overall cost of running the system. In such a situation, a higher education institution may be subjected to pursuing the passing political preferences of changing Ministers or Governments and the popular whims of their electorate. Such interference, were it to be allowed occur, could restrict the university in the pursuit of a particular line of scientific enquiry or require that a university teach in a manner consistent

with a particular ideology or orthodoxy only. The intermediary body can provide a protection against short-termism and populist control and better support the development of a long-term strategic approach by the institution, an approach that in fact will make a much more valuable contribution to social and economic development.

Intermediary bodies also can limit unnecessary bureaucratic control and interference with the internal management of higher education institutions. They facilitate the steering of the higher education sector, within a policy framework determined by government. Through the way in which a funding model is designed and implemented, an intermediary body can ensure that the objectives of government are met, without direct government control, and that there is accountability for public funds. Intermediary bodies, in this instance, are in a better position to focus on the management of outputs whereas government departments have a tendency to focus on the control of inputs.

Of critical importance is that intermediary bodies help to achieve a separation of functions that is healthy for the higher education system as a whole and ultimately for students.

Intermediary bodies help to separate out the key higher education functions of teaching, examination, accreditation and quality assurance. Failure to do that has obvious potential for conflicts of interest – and the student is the chief loser if such conflicts arise.

Intermediary bodies also facilitate Government Departments to focus on high level policy issues and divest themselves of more operational matters, e.g. funding. In the absence of such a model there is a risk that central government departments may become overwhelmed with detailed day-to-day work which has to be given priority over long-term strategic thinking – a classic case of the urgent driving out the important.

When Government directly controls and manages a higher education system, there is a tendency for higher education institutions to become overly constrained by management controls and hence lose their ability to be flexible, innovative and responsive. For this reason Governments in many jurisdictions are devolving responsibilities and freedoms to higher education institutions in order to encourage them to act innovatively. However, this must be balanced by strong accountability mechanisms.

The Irish experience of intermediary bodies with particular reference to the role of the HEA

I would like to give some insights into the operation of intermediary bodies in the Irish context and to explain why they have a positive impact in the Irish higher education sector.

Overview of Irish Higher Education System

Firstly, I should explain that developments in higher education in Ireland, particularly over the past 20 years, have been based on a differentiated or binary system of third level education.

One part is formed by the universities. The universities are essentially concerned with undergraduate and postgraduate degree programmes, together with basic and applied research. The second part is formed by the institutes of technology whose main work is in higher certificate and ordinary degree programmes, with a smaller number of honours degree programmes and a growing involvement in regionally oriented applied research. Programmes offered in the institutes of technology are generally more professional and technical in focus.

The Government objectives for higher education as outlined in our National Development Plan, 2007-2013, is to *“to allow each of our existing universities and institutes of technology to be supported in developing and enhancing their roles according to their existing strengths as part of a unified higher education system that aspires to world class standards”* (NDP 2007: 204).

Intermediary Bodies in Ireland

The table presents an overview of some of the key intermediary bodies in the Irish higher education system. These bodies all have statutory independence and operate as independent statutory agencies of the Department of Education and Science. The Department has overall responsibility for national higher education policy. It is also important to state that Government determines the overall funding levels for the higher education sector. The HEA has autonomy in the means by which this funding is allocated to the higher education institutions.

Intermediary Body	Functions
Higher Education Authority (HEA)	<ul style="list-style-type: none"> – Funding body <ul style="list-style-type: none"> • Per capita allocations given on a block grant basis • Competitive allocations (SIF, PRTLTI, etc.) – Quality review role (not a QA agency) – Strategy and equality review roles – General policy advisory role (in respect of higher education)
National Qualifications Authority of Ireland (NQAI)	<ul style="list-style-type: none"> – Establishment and maintenance of framework of qualifications – Quality review role in respect of HETAC awards (awards made in the institute of technology sector)
Higher Education and Training Awards Council (HETAC)	<ul style="list-style-type: none"> – Awards qualifications at all levels of higher education – Sets standards for awards and validates education programmes – Monitors quality assurance in the institutions – Can delegate awarding powers to recognised institutions – HETAC mainly works with the institute of technology sector and private institutions

Others – Research Councils

Is the funding body model working in Ireland?

The Irish system is a helpful model to assess the effectiveness of intermediary bodies as up until February 2007, within the binary system of our higher education sector, there were two different frameworks of governance. Analysis of the experience of each type of framework helps to demonstrate the important role that intermediary bodies can play in the higher education system.

The universities have been funded through the HEA since the HEA’s establishment in 1971. Legislation (Universities Act, 1997) affords the universities a high level of institutional autonomy and academic freedom.

A university, in performing its functions shall have the right and responsibility to preserve and promote the traditional principles of academic freedom in the conduct of its internal and external affairs, and be entitled to regulate its affairs in accordance with its independent ethos and traditions and the traditional principles of academic freedom.... (Section 14, Universities Act, 1997).

Up until February 2007 (following the enactment of the Institutes of Technology Act, 2006) the institutes of technology were funded directly by the Department of Education and Science and operated under a regime of much tighter control than the university sector. The HEA funded the universities on a block grant basis. The Department funded the institutes of technology on a line budget basis. The institutes required Departmental approval in order to employ staff, commence new programmes, etc. whereas the universities did not. They had therefore significant restrictions imposed on them in adopting a strategic approach. As a result it is widely regarded that this control regime hampered the institutes of technology and stifled their ability to flourish and fully realise their potential. The funding framework for the universities, on the other hand, assisted them in becoming more strategic, innovative and responsive in their approach.

In 2003 the Minister for Education and Science invited the OECD to conduct a review of the Irish higher education system. The OECD Review of Higher Education in Ireland endorsed the role of intermediary bodies in Ireland and also endorsed the proposal to transfer the institutes of technology under the HEA. The Review Team was of the view that a “lighter touch” control of higher education institutions represented the way forward –

“It could be argued that there are dangers in freeing up the institutes if they were transferred to a “lighter touch” regime under a new Authority, and inevitably an element of management risk is involved, but all over Europe, and perhaps particularly in the UK, governments are devolving responsibilities and freedoms to educational institutions, balanced by tough accountability mechanisms, in order to encourage them to act more innovatively and to be more adaptable and responsive to local opportunity. Such changes require balances to be struck between effective governance and greater budgetary freedom and accountability, but evidence suggests that they can motivate initiative and encourage local flexibility.”

Report of OECD Review of Higher Education, 2004

The enactment of the Institutes of Technology Act, 2006, has now brought the Institutes under the remit of the HEA, and while currently in a transitory phase, it is expected that in the near future the Institutes will operate under a similar funding framework to that of the university sector.

Challenges and Key Success Factors

Notwithstanding the success of the intermediary body model in Ireland there remains concerns within Government regarding the levels of accountability in higher education.

It continues to be an ongoing challenge for the higher education sector and the HEA to demonstrate that national outcomes are being achieved and that value for money is being delivered. And, as public funding declines relative to student numbers, it is all the more important that the sector achieves this – essential in order to make the case to Government for sustained and increased public funding.

Intermediary bodies can best operate and add value when they operate within a national strategy and policy framework. Developing such a framework is a role for Government (with advice and input from the HEA). The OECD Review of Irish Higher Education identified the absence of a clear national strategy as a key deficit and made recommendations to address this. This is something that is currently being addressed in the Ireland. A national strategy will provide the higher education institutions with clarity on Government priorities and will also provide the HEA with clarity on how to direct funding allocations and steer the sector generally.

In order to be effective, intermediary bodies require clear mandates, well established operating procedures, and full autonomy from both Government and academia. They must also have full control over the resources being allocated and the authority to sanction institutions that do not abide by the agreed rules and criteria. In this context the HEA is developing a system of performance based funding.

The composition of the intermediary body is extremely important. The boards of intermediary bodies need to include academic representation. However, intermediary bodies also make funding decisions and therefore they cannot be dominated by academics as their agenda might be perceived to be biased.

The role of intermediary bodies in the future

Into the future, I see an increasing role for buffer bodies in higher education administrations for the following reasons. Firstly, there is a growing recognition of the role of institutional

autonomy as the means of creating strong institutions that will ultimately contribute to achieving national outcomes. Secondly, it is increasingly apparent that the micro control of funding is counter productive as it is input focused rather than output focused. Thirdly, the funding of higher education has become too complex to be managed centrally. But, on the other hand, government needs to be assured that its investment is secure; that higher education is capable of delivering on its promises and that higher education is capable of meeting the needs of society. The more governments need higher education, paradoxically, the more governments will achieve from higher education by maintaining an appropriate distance and separation. Intermediary bodies are one very effective way to achieve that, whether they operate in funding, quality assurance or accreditation.

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