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Nueva Gobernanza, Reputación, Internacionalización y Compliance

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Governance Reforms in Portuguese HE: The Experience of Foundation Universities

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Autonomy in the Portuguese HE System

Portuguese HE - Major Steps in Autonomy

- 1988 – Autonomy Law of Universities;
- 1997 – Increased financial autonomy;
- 2007 – New Legal Framework (RJIES);

- Financial Context:
 - Fiscal crisis since 2001
 - Financial restrictions enhanced since 2005
 - Great recession and external intervention (2011-14)

Trend towards financial autonomy

1990s – 2000s:

- From earmarked funding to formula funding;**
- Capacity to carry on with balances from previous years;**
- Management of self-generated income;**
- Capacity to hire new staff with own resources;**

Academic Autonomy (EUA - 2017)

Rank	System	Score: academic autonomy
1	Estonia	98%
2	Finland	90%
3	Ireland	89%
	Luxembourg	89%
	United Kingdom	89%
	Hesse (DE)	88%
6	North Rhine-Westphalia (DE)	88%
8	Brandenburg (DE)	87%
9	Norway	83%
10	Iceland	78%
11	Denmark	75%
12	Austria	72%
	Switzerland	72%
14	Poland	68%
15	Sweden	66%

Rank	System	Score: academic autonomy
16	Hungary	58%
17	Spain	57%
18	Italy	56%
	Slovakia	56%
20	Portugal	54%
21	Croatia	50%
22	The Netherlands	48%
23	Latvia	46%
	Serbia	46%
25	Slovenia	44%
26	Lithuania	42%
27	France	37%
28	Flanders (BE)	35%
29	French-speaking community of Belgium	32%

Organisational Autonomy (EUA - 2017)

Rank	System	Score: organisational autonomy
1	United Kingdom	100%
2	Denmark	94%
3	Finland	93%
4	French-speaking community of Belgium	90%
5	Estonia	88%
	Lithuania	88%
7	Portugal	80%
8	Austria	78%
	Norway	78%
10	Hesse (DE)	77%
11	Ireland	73%
12	Flanders (BE)	70%
13	The Netherlands	69%
14	North Rhine-Westphalia (DE)	68%

Rank	System	Score: organisational autonomy
15	Poland	67%
16	Italy	65%
	Slovenia	65%
18	Croatia	62%
19	Sweden	61%
20	France	59%
21	Brandenburg (DE)	58%
22	Latvia	57%
23	Hungary	56%
24	Spain	55%
	Switzerland	55%
26	Serbia	51%
27	Iceland	49%
28	Slovakia	42%
29	Luxembourg	34%

Financial Autonomy (EUA - 2017)

Rank	System	Score: financial autonomy
1	Luxembourg	91%
2	Latvia	90%
3	United Kingdom	89%
4	Estonia	77%
	The Netherlands	77%
6	Flanders (BE)	76%
7	Italy	70%
	Portugal	70%
	Slovakia	70%
10	Denmark	69%
11	Finland	67%
12	Switzerland	65%
13	Ireland	63%
14	Lithuania	61%
15	Croatia	60%
	Iceland	60%

Rank	System	Score: financial autonomy
17	Austria	59%
18	Slovenia	57%
19	Sweden	56%
20	Spain	55%
21	Poland	54%
22	French-speaking community of Belgium	52%
23	Serbia	46%
24	France	45%
25	Brandenburg (DE)	44%
26	North Rhine- Westphalia (DE)	43%
27	Norway	42%
28	Hungary	39%
29	Hesse (DE)	35%

Human Resources Autonomy (EUA - 2017)

Rank	System	Score: financial autonomy
1	Estonia	100%
2	Sweden	97%
3	United Kingdom	96%
4	Switzerland	95%
5	Luxembourg	94%
6	Finland	92%
7	Latvia	89%
8	Denmark	86%
9	Poland	84%
10	Lithuania	83%
11	Flanders (BE)	76%
12	Austria	73%
	The Netherlands	73%
14	Iceland	68%
15	Hesse (DE)	63%
	North Rhine-Westphalia (DE)	63%
	Norway	63%

Rank	System	Score: financial autonomy
18	Portugal	62%
19	Slovakia	61%
20	Brandenburg (DE)	58%
	Serbia	58%
22	Hungary	50%
23	Spain	48%
24	French-speaking community of Belgium	44%
	Italy	44%
	Slovenia	44%
27	France	43%
	Ireland	43%
29	Croatia	37%

Governance Reforms and the Establishment of Foundation Universities in Portugal

Portuguese HE – Recent Reforms:

- Rationales: reorganisation and rationalisation of the system (OECD HE System Review, 2006).**
- New Legal Framework - RJIES (Law 62/2007):**
 - Governance boards with external participation**
 - Fewer members in governing bodies**
 - More powerful Rectors**
 - Integration of research centres in universities' management framework**
 - Public foundations governed by private law**

Portuguese HE: changes in governance structures

Before RJIES	After RJIES
	Board of Trustees (for foundation universities)
University Assembly (40% academic staff; 40% students; 20% other staff)	General Council 15-35 members (55% academic staff; 15% students; 30% external members)
Rector	Rector
Senate	Management Council
Administrative Council	
Advisory bodies	Advisory bodies

Criteria for the establishment of a HE Foundation

- Which HEIs can require that – University or Polytechnic; School/Faculty (exceptionally); Consortia (Schools, R&D units, other entities);
- Who requires – Rector/President, with the approval of the General Council;
- Proposal should include report on institutional transformation – organization, management, funding, and autonomy;
- Supported by the management advantages for the pursuit of its objectives and mission;
- Expectation - 50% of own revenues (tuitions; R&D; services, etc)

Main Commonalities between HEIs and Foundation

- **Access of students stays very much the same (though there are some legal provisions for changes);**
- **Social support to students – similar to the other HEIs;**
- **Academic management is similar;**
- **Autonomy in Pedagogical and Scientific issues is formally the same;**
- **Other aspects of Autonomy stay the same (or enlarged);**

Main Changes with Foundation - Financial

- **Governance – Board of Trustees (5 for 5 years);**
- **Management - Tax and auditing centralization;**
- **Assets – of the HEIs, possibility of public and private contributions;**
- **Ruled by private law, namely in the management of financial, assets;**
- **Funding can be complemented by multi-annual contracts (3 years or more) defining certain goals (signed with Ministries for HE and Finance);**
- **Institutions can borrow money (under limits defined in their statutes);**

Main Changes with Foundation - HR

- Ruled by private law, also in human resources (with exceptions);
- For HR, Institutions can create parallel careers for academics and researchers (though similar to the existing ones);
- For non-academic careers, the pre-existing public service ties hold, new contracts ruled by private law;
- Possibility of defining different assessment systems, with different rules;

Main Changes with Foundation - Governance

Competences of the Board of Trustees:

- To ratify the Rector elected by the University Council;
- To decide the acquisition or alienation of assets (e.g. buildings);
- To accept (or not) decisions to borrow (under the limits defined);
- To approve Strategic Plan, Annual Plans and Budgets, Annual Reports (including Financial ones);
- To appoint/dismiss Management Council (that supports Rector);

Potential Advantages associated with Foundation Status

- **Additional funding, including the multi-annual public funding;**
- **Possibility of borrowing funds;**
- **Separation between assets and financial management and academic management;**
- **Greater flexibility in the recruitment of staff;**
- **Some exceptions in procurement and in the prior control by the national Audit Court;**

Potential Disadvantages and Risks associated with Foundation Status

- **Dependence of HEIs upon external entities (Foundation and Board of Trustees);**
- **Greater legal and institutional complexity;**
- **Reduction of some checks in the areas submitted to private law;**
- **Some cultural resistance (institutions and state bureaucracy);**
- **Influence of external funders in the mission and activities of HEI;**
- **Risk of subsequent measures towards greater privatization and reduced public commitment;**
- **Concern about duality in careers, segmentation/stratification;**

HEIs that adopted this status

- **2009 - First group – Universities of Aveiro, Porto and ISCTE (Lisbon);**
- **2016 – University of Minho;**
- **2017 – Nova University (Lisbon);**
- **2018 – Polytechnic Institute of Cávado and Ave (North)**

Balance of the Experience – Unfulfilled Promises

- **Government did not fulfil financial agreement with first 3 (and that was not signed with the new ones);**
- **HEIs continued to pursue the strategic objectives, despite the lack of commitment of the government;**
- **External intervention (2011-14) introduced additional restrictions (reducing potential flexibility gains);**
- **Universities back in budgetary perimeter in 2012 (limitations in the use of their revenues and accounting balances);**
- **Funding cuts introduced additional complexity and uncertainty;**

Balance of the Experience – Institutional Changes

- **Some years of adaptation - internal reorganization (already indicated by RJIES, with greater coordination and centralization of decision-making);**
- **Tighter internal accountability (especially relevant in large and more decentralized Universities);**
- **Greater flexibility in recruitment and management of staff, especially non-academic one (assessment, working rules), though with limited differentiation (especially in academic staff);**
- **Some advantages in procurement and management of assets;**

Concluding Remarks

Final Remarks:

- Context – predictability and capacity to keep commitments;
- Funding – relevant, but possibly not the main driver;
- Increased autonomy (especially in financial management) – major issue for most HEIs;
- Human Resources also important, but controversial and potentially problematic (more on academic careers);
- Strategic motivation for HEIs;
- Risks of stratification and tensions in the system (between and within HEIs);

**Muchas Gracias
Muito Obrigado**

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