

New autonomy for Finnish universities

A consideration of autonomy through six fundamental questions

Kohtamäki, Vuokko

ABSTRACT

The reform of the autonomy of the Finnish universities is very topical. A draft of the new Universities Act has been made according to which the universities will have new autonomy. For academics and for universities autonomy has been significant throughout the history of universities and this is still the case. This importance has also generated numerous studies related to autonomy. It is typical for the recent studies to consider autonomy as the level of autonomy, that is, the authority to practise autonomy. This is indeed one core aspect of autonomy. To get a firmer grip on the phenomenon it is important to understand the dynamic, complex and multidimensional nature of autonomy. This paper discusses the phenomenon of autonomy of universities by addressing some core questions about autonomy. The questions are constructed and derived from the international higher education literature reviewed. The literature based questions are further used to reflect newspaper discussions on the ongoing autonomy reform in Finland. From the perspective of the policy implementation the draft of the Government Bill is a part of the implementation process of already defined governmental policy goals and the Lisbon Strategy. The newspaper articles, in

this context, are tools to influence the policy implementation process.

I INTRODUCTION

In Finland, university autonomy will be radically reformed according to the draft of the new Universities Act (2008). Before going to the reform and particularly to discussions on the reform in Finland, the autonomy of universities will first be considered. The importance of autonomy for academics and for universities has a long history. This has also generated literature related to autonomy. The concept of university autonomy, for example, has been discussed more than 40 years since the analysis by Ashby and Anderson (1966). There are studies that have focused on changes, reforms and policies of autonomy, conceptual considerations, level and limits of autonomy, state influence, nature of state control, decentralisation and relations between the autonomy and accountability (e.g. Birnbaum 1991, McDaniel 1996, Neave & van Vught 1991, Salmi 2007, Sizer & Mackie 1995, Tapper & Salter 1995, Tight 1998, Volkwein & Malik 1997). In Finland, studies focusing on university autonomy also exist (e.g. Hölttä 1995, Merikoski 1966, Miettinen 2001, Vuorinen 1979). Despite the fact that there is a substantial number of earlier studies, it is not simple to form a comprehensive picture of the autonomy of a higher education institution. Autonomy is a dynamic,

manysided and contextually dependent phenomenon. Therefore, this paper poses questions rather than gives answers.

The dynamic nature of autonomy originates from changes around and within universities. There has been an enormous increase in student numbers, new different types of providers of higher education, new study fields, new modes of delivery of higher education and increasing collaboration as well as competition between the institutions (see for more e.g. Henkel 1995, Gibbons et al. 1994). According to Henkel (1995) there is no longer autonomy in the sense of 'freedom from' external parties. In Europe, changes have led to new management and government structures and practices at universities. The roles of the rector, the governing body, the faculty, the administration and external stakeholders are under redefinition. (See e.g. Amaral, Jones & Karseth 2002, Meister-Scheytt 2007, Sporn 2003, 101) and along with them the development of university autonomy has been one of the highlights (e.g. Bladh 2007, Felt & Glanz 2003, Mora 2001, Moses 2007, Salmi 2007).

Regulatory frameworks, like the new Universities Act, shape autonomy of universities but so do a number of other public policies. The Finnish Government Programme, the state productivity programme, the structural development programme of higher education institutions, the Development Plan for Education and Research, and public research funding policies (Academy of Finland and Tekes) are examples of such policies. Finland is also involved in the European Union (EU) policies. The Lisbon Strategy recognises the fundamental importance of university autonomy in the process towards a dynamic knowledge-based economy and society. The Lisbon Strategy, launched by the heads of state governments in 2000, aims to make the European Union the most competitive economy in the world and achieving full employment by 2010. Commission of the European Communities (COM 2006, 5) has the following statement:

"Universities will not become innovative and responsive to change unless they are given real autonomy and accountability. Member States should guide the university sector as a whole through a framework of general rules, policy objectives, funding mechanisms and incentives for education, research and innovation activities. In return for being freed from overregulation and micro-management, universities should accept full institutional accountability to society at large for their results."

The same document points out that the above requires an internal governance system that is based on strategic priorities and professional management of human resources, investment and administrative procedures. In Finland, the current three-year national reform programme – implementing the Lisbon Strategy – emphasises securing sound public finances, especially in local government, fostering and exploiting the innovation system and improving labour market functioning (Ministry of Finance 2008). This programme states, among other things, that financial and administrative autonomy of the universities in the new legislation create pre-requisites to strengthen effectiveness and quality of university research and teaching (Ministry of Finance 2008, 52). There are also goals related to structures and mergers of higher education institutions and the establishment of one international top university.

The questions through which the autonomy of higher education institutions is considered here are based on a review of the international higher education literature. These questions cannot be found as such in the literature; rather they have been constructed during and after my reading and interpreting the literature about the autonomy of higher education institutions. The questions form schemas that shed light by which to read and interpret newspaper discussions about the Finnish university autonomy reform. Discussions and debates on autonomy take place from a vast number of viewpoints and they are combined with the interests of different stakeholders. Their explicit aim is to influence government's agenda on changing university autonomy.

The Finnish university autonomy reform is not an unprecedented innovation. The reform can be traced to international trends and in more concrete terms these trends will be imposed on the Finnish university context. The plan is not to ensure universities' autonomy by widening their existing decision-making power alone but to arrange legal, financial and managerial capacities for them. Thus, the autonomy reform is extensive. At the time of writing, policy implementation process (see e.g. Bardach 1982, Hill & Hupe 2002) of the Lisbon Strategy, the Government Programme and the Development Plan for Education and Research continues interactively when the major stakeholders prepare their statements on the draft of the Government Bill.

The origin of the word autonomy comes from

two Greek words: *autos* (self) and *nomos* (law) (Barrow & Milburn 1990, 30). Hence there is “the self” (*autos*) who is an actor whose autonomy is in question. The six questions began from the actor perspective. As a whole, this paper considers autonomy on the basis of the following questions:

- 1) Whose autonomy is under consideration?
- 2) What type of autonomy?
- 3) What subject areas does autonomy encompass?
- 4) In relation to what or to whom is autonomy considered?
- 5) To what does autonomy commit the actor?
- 6) What is the purpose of autonomy?

In the following, the questions are presented and briefly analysed one by one. The paper continues with an overview of the autonomy of Finnish universities based on newspaper articles published in the quality daily *Helsingin Sanomat* during 2007 and 2008 (until August). The paper ends with a discussion on the emergence of the new autonomy of universities. The article consists of four parts: I Introduction, II Questions about autonomy, III Recent debate in *Helsingin Sanomat* and IV Remarks on new university autonomy.

II SIX FUNDAMENTAL QUESTIONS ON AUTONOMY

1) Whose autonomy?

Autonomy is useless if there is no “self” to use or enjoy it. Accordingly, autonomy refers to the quality and state of an actor (Oxford English Dictionary, 2008) such as a state (government), a local authority, an organisation or an institution. The higher education institution is a complex organisation. It is not a single or a unitary actor as regards its autonomy. Therefore, it is important to specify clearly the actor whose autonomy is of interest.

Within a higher education organisation and within higher education systems the group of actors can be categorised as levels of actors. Accordingly, basic alternative perspectives on autonomy in the higher education are an individual level, the basic unit level, the institutional level and the systemic level (Becher & Kogan 1992, 9; see also Clark 1983, 108–110 who identifies six levels: a basic unit, an individual university or college, a multi-campus administration, a state (federal system), a provincial

or municipal government and a national government). The individual level may refer, for example, to a rector, a dean, a head of department, a professor or some other individual within the higher education institution. The basic unit or departmental level refers to the operating units which vary from institution to institution. The institutional level refers literally to the level of the institution. The system level, in turn, comprises the higher education sector without going down to the level of individual institutions. As the title of this article suggests, the paper is focused on the institutional level of autonomy, that is, the autonomy of a higher education institution.

2) What type of autonomy?

This question is related to the various types of issues related to autonomy at the higher education institution. Autonomy and its nature as a multidimensional concept can be illustrated with actor related perspectives but also with a number of autonomy concepts available. In the higher education literature, autonomy is referred to in several ways, including

- academic autonomy or academic freedom (e.g. Ashby & Anderson 1966, Berdahl 1990, Volkwein & Malik 1997, Wasser 1995, Snyder 2001)
- administrative autonomy (e.g. Volkwein & Malik 1997, Wasser 1995)
- operational autonomy (e.g. Jongbloed et al. 2000)
- personnel autonomy (e.g. Volkwein 1986)
- institutional autonomy (e.g. Amaral & Magalhães 2001, Ashby & Anderson 1966, Berdahl 1990, Dill 2001, Frazer 1997, Gornitzka & Maassen 2000, Herbst 2007, Marcusson 2005, Neave 1988, Tapper & Salter 1995, Ordorika 2003, Salmi 2007)
- financial autonomy (e.g. Cazenave 1992, Rothblatt 2002, Sheehan 1997)
- budget autonomy (e.g. Volkwein 1986)
- management autonomy (e.g. Salmi 2007)
- autonomy per se (e.g. Bast 1995) without any specifications.

Clearly, under the same umbrella autonomy refers to a number of realms or areas. The qualifiers – such as academic, administrative and financial – aim to express what area or areas of autonomy

are considered. But are different autonomy concepts – for example institutional autonomy and financial autonomy – mutually exclusive? If so, what is the border, and how to define it? There are no simple answers. In general, there are various dimensions within the same concept and it can be said that autonomy concepts may more or less overlap.

The complexity of the autonomy also increases because an actor's formal autonomy, legal autonomy and actual autonomy are not necessarily identical (e.g. Christensen & Laegreid 2006, 30; Orderika 2003, 384). Legal autonomy is autonomy guaranteed by the state legislature. Formal autonomy can be derived from the other rules or regulations than legislation. Actual autonomy is autonomy that implies how autonomy in practice is realised for an actor. Due to the changes in the actual autonomy of higher education institutions, the nature of autonomy is described as negotiated autonomy and conditional autonomy (Neave & van Vught 1991, 252; Schmidtlein 1995, 49). The negotiated autonomy and the conditional autonomy refer to changing relations between the state and the higher education institutions. In other words, autonomy can be exercised only on condition that the higher education institution fulfills the national norms or other conditions or the terms by which the institutions are financed.

3) What aspects of autonomy are considered?

The earlier higher education research reviewed has mostly focused on the authority to practise autonomy in different areas. The components of autonomy related to authority are typical ways to discuss the autonomy of higher education institutions. OECD (2003), for example, compared institutional autonomy in 13 countries as levels of freedoms in terms of eight components: 1) to own buildings and equipment, 2) to borrow funds, 3) to spend budgets 4) to set academic structure/course content, 5) to employ and dismiss academic staff, 6) to set salaries, 7) to decide the size of student enrolment and 8) to decide the level of tuition fees. Accordingly, it has been necessary to define the dimensions when considering for what an actor is authorised. In general, autonomy in the context of higher education institutions is linked to matters like financial, administrative, academic and personnel issues. Various specific components and

dimensions, in turn, have generated more and more autonomy concepts.

When a certain area of autonomy or certain autonomy concept is selected, there are still alternatives as to what exactly is being explored. In terms of personnel issues or personnel autonomy there are such phenomena as personnel policy, personnel management, personnel education, appointments and salaries. However, the boundaries between these groups of issues are more or less ambiguous (e.g. Jones 2002, 228; see also Bargh, Scott & Smith 1996, 114).

In addition to traditional financial, administrative and academic issues, higher education institutions also deal with new policy issues like intellectual property, new relationships with industry, new forms of fund raising and development arrangements (Jones 2002, 229) and in general policy issues related to interactions with society. These new policy issues do not naturally fall under the dichotomy of academic or administrative or financial issues, but rather have links to all of them. This also means that the components of autonomy – defined as authority to practise autonomy – are changing and are more or less blurred.

4) In relation to what or to whom is autonomy considered?

This question reflects the relative nature of autonomy. The opportunities and possible restrictions on autonomy for an actor appear in relation to other actors. This means that autonomy is realised in a number of interactions between actors. Following this, it is necessary to define in relation to what actor's autonomy is considered (see e.g. Snyder 2002). Interactions also demonstrate the dynamic nature of autonomy. According to Neave (1988, 47) "autonomy exists as a state of tension between various interests, between those of the external community and those of the academic community." Thus, autonomy can be realised and restricted internally and externally.

Internally and externally, there are a number of stakeholders in relation to which autonomy can be considered. Within a higher education institution there are different levels of actors: central administrators, other operating units and individuals (see Amaral & Magalhães 2002, 11; Becher & Kogan 1992). External stakeholders include state authorities, regional and local authorities, funding

and evaluation bodies, labour organisations, student organisations and a range of other types of agencies and organisations. When autonomy is considered in relation to the state or some other actor, its potential and constraints can be identified. In the earlier literature, the autonomy of a higher education institution is typically studied in relation to the state authorities. The significant role of the state authorities in terms of autonomy goes back to the legislative authority of the state and its usual position as a major financier of higher education.

5) To what does autonomy commit the actor?

Autonomy also commits the higher education institutions themselves (Lampinen 2008, 82) although its meaning is deemed to be freedom oriented. The literature claims autonomy usually appears within the constraints of accountability (e.g. Frazer 1997, Harvey & Asking 2003, Sizer & Mackie 1995). Performance agreements and performance based funding systems are good examples of links with both autonomy and accountability. In this sense, autonomy exists in exchange for accountability.

Autonomy is mainly actualised in accountability relationships. According to Glynn and Murphy (1996, 127) accountability is a process via which a person, or group or people can be held to account for their conduct. There are internal and external forms of accountability and different types of accountability. On the whole, accountability seems to be as complex a concept as autonomy. (e.g. Becher & Kogan 1992, 81–86; Berdahl & McConnell 1999, 72–75; Glynn & Murphy 1996, 127; Kogan 1986, 24; Sizer 1992, 1306.). Because of the link between autonomy and accountability it is reasonable to briefly look what is meant by internal and external accountability and what types of accountability there are.

External accountability means that institutions have obligations to address for society, so that institutions pursue their mission faithfully, use their resources honestly and responsibly and meet the legitimate expectations of society. Internal accountability, in turn, is the responsibility and the ability of the internal parts of higher education institutions to fulfill their missions, perform their duties, and learn where improvement is needed and their efforts to make improvements (Trow 1996, 7).

Regarding types of accountability and following

Trow (1996), there is financial accountability, legal accountability and academic accountability. Becher and Kogan (1992, 169–171) propose managerial, professional and consumerist models of accountability. As a whole, all types of accountability focus to whom and how the actor is accountable.

6) What is the purpose of autonomy?

The sixth question is about the purpose of autonomy. In the literature, the purposes of higher education institutions are regarded as being the purposes of their autonomy (see e.g. Berdahl 1990, Clark 1983, Kogan & Marton 2000, Neave & van Vught 1994). According to Clark (1983, 179), the main and ultimate motivation for autonomy from the viewpoint of higher education institutions is in the nature of the work institutions are involved with.

Autonomy is a considerable element in a higher education institution's progress towards becoming capable of performing its core functions properly and developing the institution further (Kells 1992, 35). Higher education institutions are professional organisations (Birnbaum 1988, 10; Clark 1983, 36) and the core characteristics of these types of organisation are that they want to control the conditions of their work and also how that work is defined. However, the functions of higher education institutions are increasingly linked to working for and serving modern society (e.g. Gibbons et al. 1994, Goddard 2005, Henkel 2005). This also implies that higher education institutions and their autonomy are used for many other societal policies and their missions extend and diversify at the same time. The functions of the universities are increasingly externally oriented.

It is not simple to deduce the foundations of autonomy from the traditional missions of higher education institutions. On the basis of the literature reviewed it is not possible to identify either any single or common purpose of autonomy. It can be said that autonomy is a notion undergoing change (e.g. Ordorika 2003, Tapper & Salter 1995). It is also the case that different higher education institutions emphasise different matters in their autonomy depending on their current situations (Kohtamäki 2007).

The six questions above related to autonomy are now briefly considered. In the following, they are contemplated in the Finnish university context for analysing newspaper articles.

III RECENT DEBATE ON UNIVERSITY AUTONOMY: A NEWSPAPER OVERVIEW

The articles and opinions therein concerning autonomy were sampled from the electronic archive of the quality daily *Helsingin Sanomat* in August 2008. The keywords "university's autonomy" yielded 14 results in 2007 and 5 additional texts when searching with the words "universities' financial autonomy" and 20 results in 2008. The analysis of the texts was conducted by reading the articles through the lens of the six questions specified above.

The analysis deals with the latest newspaper discussions because the Universities Act will be radically reformed and this reform has stimulated debates from various perspectives. A draft of Government Bill on universities was published in August 2008 and it can be read in the website of the Ministry of Education. The new Act will replace the Universities Act (645/1997). Major changes are related to the legal status of universities, their governing bodies, the appointment of the rector and the employment status of university staff.

The headlines of the articles reviewed (in *Helsingin Sanomat*) reflected positive and negative attitudes to the reform. Positive headlines were such as

- "The law reform gives the universities own decision-making power"
- "Universities should be encouraged to make their own choices and to compete" and
- "Successful universities cannot be improved as part of the state administration".

The majority of the headlines reveal a cautious or negative attitude:

- "The reform drives the universities to the wall"
- "Autonomy of universities is in danger" and
- "Collecting private funding bothers the universities".

1) Whose autonomy?

It was possible to identify three viewpoints on actors in autonomy discussions: the system level, the institutional level and the individual level.

System level autonomy: A separate entity with the right to collect taxes

It was seen that a financially autonomous unit could be established as a unit separate from the state.

This unit would be composed of the education system which would have the right to collect taxes and that would have elected representatives as decision-makers. This type of new unit is needed – according to the writer – because the current structural changes are not adequate to cover the chronic shortfall in the basic funding of universities. However, the writer does not specify if he means the higher education system or the whole Finnish education system.

Institutional level autonomy: Internal governance and the legal status of a foundation or person under public law were debated in many articles. They will be discussed later in this paper.

Individual level autonomy: The latest reform directions were seen to be developed against the basic function of the universities. This is to say that teaching staff have fewer options to implement the university's basic function, that is, critical thinking. Teaching staff should have right to demand from students independent and responsible study against the academic freedom enjoyed by the students.

2) What type of autonomy?

The writers referred to university autonomy, academic freedom and financial autonomy. They were discussed mixed or focusing one of them.

3) What aspects of autonomy raised interest?

Legal status: Which one – person under public law or foundation?

The people interviewed (in the articles) assessed which of the two models – a foundation or a person under public law – would be the best one for the university in the long run. Person under public law model was preferred to the foundation because the latter demands private money in the form of foundation capital. The foundation model was also discussed 'as a positive goal' and as a danger for the future of the universities in the long run. In both cases the major change is that universities will be bodies outside the state budget. New legal status was seen as a risk for realisation of an equal civilization.

The foundation model was seen as a hallmark of the recently founded Innovation University (at the time of writing known as *Aalto University*). It is a university being created through a merger between the Helsinki School of Economics, the University of Art and Design Helsinki and the Helsinki University of Technology. This foundation has to have mixed initial capital of private and public money. Other universities than the Innovation University also can utilise the same principal in the state funding if they apply the foundation model. This means a promise to grant two thirds of state funding against one third of private money acquired. According to the draft of the Universities Act (2008) the state contributes to all universities in a ratio of 5:2 against the private funding raised. According to one writer the foundation model is plied by the government to all universities by extra funds.

Composition of board members: Excessive external power or more wisdom?

Nowadays, universities have one, two or three external members on their governing boards. The current Universities Act allows a maximum of one third of external members. The proposal that the majority of university board members should be external is debated from the point of view of contributions or possible losses that such members may cause in the nature of academic decision-making. In terms of the composition of the governing body there are opponents and reformers.

The opponents like to retain the current state of affairs, in which the majority consists of internal board members. Academic expertise has to be retained in core decision-making bodies. This cannot be ensured when external members are in the majority. There is no autonomy if the institutional governance is run by the funders and who makes decisions concerning academic work and defines strategies. The external parties represent different types of interests than the academic community. The universities cannot be steered like companies. The status of professors as a leading personnel group has to be fully recognised. The university also needs its democracy in hard times. External power increases also because the chair of the board is planned to be an external member. A better policy line would be maximally one third of external members.

The reformers' idea is that there is also wisdom outside the university. The external members could also be significant academics from abroad. External members' experiences from business life could

contribute in organisational issues in the university context and in general they would provide know-how needed in the new type of universities. They provide new expertise and capacity for reform. They will not be lobbyists for their background groups like the danger is in the current tripartite governance system. External members from the municipal sector, in turn, deal with the same structural changes as the universities. An external governing body can also represent as an appreciated body in relation to the state and the business sector.

Ownership and entering into contracts: The financial stability of the universities should be guaranteed by moving the ownership of buildings from the Senate Properties to the universities. This means that the universities will be responsible for managing their buildings. The ownership of artwork, in those buildings, has to be reviewed.

Financial loss without state involvement: From the point of view of state finances, the universities should be treated as expenditures that will produce the best possible return for the whole economy in the long run. Universities should be allowed to incur financial deficits without fear of penalties. According to the writer inflicting penalties inhibits innovations and inclination to take risks.

Private fund raising: The university's ability to attract benefactors

The state encourages private fundraising by universities by granting two and half time sum of state funding against the amount of private money raised by 2010. Getting private money was doubted because there is a lack of capital and no traditions of private donation in Finland. Only the state money guarantees the future of those study fields having problems in the collection of market funding. The development of higher education activities cannot be based on external funding. Hunting for external funding takes time away from teaching and research, and this will also lead to an unequal situation between the different study fields. Begging cannot be continuous. Private companies do not fund basic research. There was also a fear that private funding lead to regional inequality.

Appointment of professors: Too light an appointments procedure

To change the appointment procedure of professors raised concern because the appointment of

professor is a large scale investment. According to the draft of Government Bill (2008) a professorial post could be filled without public procedure when it is possible to invite a meritorious individual who fulfils the qualifications stipulated in the university regulations. Moreover, fixed term professorial post could be filled without open application.

How far financial autonomy is to be increased:

There is no scarcity of tools by which financial autonomy can be reformed. Many viewpoints are in favour of financial autonomy but it is an open question how far financial autonomy really should be increased. The reform is supported by students, rectors and industry. However, because of a great instability there is more exhaustion and frustration among the university staff. Planning teaching and financial planning are difficult and in general the everyday life at the universities is disturbed because of the uncertain future.

Free academic research: What makes a top university?

A top university can be established only through free academic research. This is to say that the best possible research groups are working in networks in joint research projects according to their substance and not according to administrative structures. A top university would not be created by administrative decisions or by combining old activities or by top down steering.

Promotion of academic research and co-operation between academic disciplines:

Co-operation between the universities and the researchers can be exercised without mergers of the universities. The reform does not respect development of science in its own way.

4) In relation to what or to whom is autonomy considered?

The state: Universities can be established only by the state and university names are mentioned in the legislation. In this way the foundation and abolition of universities is under the authority of the Parliament of Finland. Performance agreements and state funding will remain. The reform may lead to a situation where state steering still dominates and probably too much. Tight ministerial steering can also restrict universities' own ways to improve

and prevent competition between the universities. There is no reason to be afraid of bolder profiling or competition.

Universities are economic actors but the state is also responsible for public education. The state should respect more university autonomy and allow the universities to improve their quality and productivity in a way that is appropriate for universities in their own contexts.

The 'Innovation University': Large corporations and business life has a long time waited a university that is separate from the state administration and in which the business life has more say in decision-making according to one article. There was a concern that a merger between the Helsinki University of Technology, Helsinki School of Economics and the University of Art and Design would consume money from the other universities. This seems to lead considering university autonomy in relation between the other Finnish universities and the Innovation University. Bitterness experienced by other universities is based on the governmental promise to supplement the basic funding of the Innovation University by 100 million euros and all other universities' basic funding altogether by 40 million euros.

5) For what does autonomy commit the actor?

Framework budgeting and state steering:

Realisation of university autonomy was deemed impossible when framework budgeting and other state steering are implemented. This means, according to one article, that more money can only be obtained from other universities and that universities are entitled to produce only results as agreed beforehand with the state. The external steering and performance control decrease the happiness of research and discovery.

6) What is the purpose of autonomy?

Improving and supporting critical and independent thinking:

The reform of the Universities Act was seen to question the autonomy guaranteed therein. Some writers emphasised that the university is not a school but an institution and its goal is to teach the ability for independent and critical thinking.

IV CONCLUDING REMARKS ON NEW UNIVERSITY AUTONOMY

This paper considered and analysed university autonomy discussions published in *Helsingin Sanomat* in 2007 and 2008 (before August 2008) through the six fundamental questions about the autonomy of universities. The six questions are based on my perceptions of the phenomenon of autonomy in the reviewed international higher education literature. The questions formed a schema-based approach to read and interpret the newspaper articles. The newspaper articles were not written for the academic purposes but to convey to their readers for the facts and opinions presented.

The analysis provided results to all six question categories. In the majority of the writings there appeared to be a fear about potential loss of (academic) autonomy rather than what new opportunities the autonomy reform may open. This represents typical defensive politics in which actors are concerned what they might lose than what they will gain (Bardach 1982, 42). The emphasis was in guarding academic freedom and presenting doubts towards new internal governance system. Thus, academic freedom as one type of autonomy and aspects within university autonomy generated debate. Major remarks on new university autonomy are presented in the table below.

TABLE 1. Major remarks on new university autonomy

Concept of autonomy	There is no single concept of autonomy that could capture simultaneously the autonomy of different levels of actors. The legislative reform of university autonomy will be neither an extension nor a restriction of academic freedom. Impacts on academic freedom may emerge.
New university autonomy	New university autonomy is legal autonomy.
Purpose of autonomy	Aims to guard that type of autonomy which is deemed to be academic freedom were very strong.
Areas under interest	Three major areas of autonomy, namely legal status, composition of a governing board and funding generated debate.
Legal status with legal capacity	Legal capacity does not as such mean actual financial autonomy. Autonomy should be considered in relation to all major stakeholders to review actual financial autonomy.
Internal governance	Strong engagement of external board members will be a new form of accountability. New internal governance structures and compositions of governing bodies are fundamental but working together as a team is not legislation driven.
Diversified funding structure	Diversified funding structure does not necessarily mean financial autonomy when making allocations. The diversified funding bases imply diversification also with respect to primary tasks of universities.
Exchange between autonomy, external influence and responsibility	In return for greater autonomy there will be internal structural changes in governance, external influence and financial responsibility.
New professional capacities	New autonomy and new financial responsibility require new professional capacities in steering and management the universities.

The newspaper articles demonstrated that the autonomy reform is seen through the eyes of the Humboldtian tradition, that is, with a strong connection between research and teaching. Because autonomy is important for academics it was typical to discuss university autonomy (institutional level autonomy) also from the point of view of individual academics. This means connecting the university autonomy with the work and values of academics. A growing tension between academic freedom and university autonomy was emphasised. The legislative reform will not be an extension or a restriction for academic freedom. However, the legislation cannot obstruct impacts on academic freedom that may come out.

Autonomy is a complex phenomenon and is manifest in various ways. Moreover, there is no single concept of autonomy that could capture the autonomy of different levels of actors. University autonomy refers to institutional autonomy and not its employees' autonomy. Academic freedom refers to individual academics' autonomy (see e.g. Ashby & Andesson 1966, Berdahl 1990). New university autonomy as defined in the draft of the Government Bill is legal autonomy. In other words, it is autonomy guaranteed for the universities in the legislation. However, legal autonomy is not necessarily similar to actual autonomy.

Aims to guard academic freedom were very strong. Among the writers were many people that are from the university context. View of the purpose of autonomy appeared to be linked to the two basic functions of universities. Therefore, willingness to emphasise academic accountability rather than any other types of accountability dominated the viewpoints. Academic freedom was frequently picked up. This leads to make a question of what all is there behind the argument of academic freedom?

The legal status, the composition of university governing board and the funding of universities, among others, generated debate. When the entity has the legal capacity entailing rights and duties, it also forms an independent economic entity with financial responsibility. Legal status with legal capacity is a firm juridical tool to establish a separate entity and a very fundamental mechanism to arrange prerequisites for autonomy. However, university autonomy is multidimensional in terms of its contents and legal capacity is one realm of autonomy. Two other major realms of university autonomy are internal governance and finances.

Is legal capacity an element that can lead to actual autonomy? There may be more or less tight controlling links between the state and the higher education institution (Amaral & Magalhães 2001, Gornitzka & Maassen 2000) irrespective of the legal status of legal person (Kohtamäki 2007, Marcusson 2005). As far, Finnish university autonomy has been determined mainly in state-university relations but is this the case also in the future? The universities interact with state authorities, business organisations, employers and research funding bodies at the local, regional, national and international levels. The state steering – and other main stakeholder influence – also have to be taken into account in order to review actual autonomy. In addition, the universities can take the initiative and create strategies to strengthen and improve their institutional and financial autonomy. Such actions are not one-off exercises and they require a strong and inspired institutional management.

Strong engagement of external board members will be a new form of accountability of universities. However, some discussions clearly asked if the universities can trust on the competencies of external parties in the internal governance? There was willingness to retain something old – the majority of internal members – for possible bad times within the new internal governance system. It was feared that the voice of business life in decision-making would be too strong if the external members will form the majority in the supreme decision-making body (board) and the chair is appointed from among the external members. Supporters' of the external board members emphasised innovative, dynamic and reform oriented thinking.

The new internal institutional level governance structure will be defined in the new Act. The division into the supreme decision-making body and the academic body can be traced to the Anglo-Saxon two layer governance model. In Finland, as in Sweden and Norway, at the university level there is a tradition of a shared governance model with a single governing body that makes strategic, financial and academic decisions.

The role of the governing board as a strategic and financial decision-making body and its relationship to the academic body are fundamental. Cohesion and a balance between them will be needed in order to work for the best of the university. In this context, new interpersonal relationships will emerge (Bargh et al. 1996, 137) and working

as a team is not legislation driven. Interaction between the internal board members and the external board members and between the external chair and the rector will be new key relationships if the new legislation is approved. The elected rector will be replaced by the rector appointed by the university board and s/he will be answerable to the board as the executive head of the institution. Beside the composition of the board the size of the board is significant. The smaller the board the more important are personal characters of board members (Meister-Scheytt 2007, 250).

Is diversification of funding a firm tool for the universities to strengthen their financial autonomy by themselves? Diversification the funding bases follows international trends but is no longer a new policy goal either in Finland. When and if the funding base is diversified, financial and operative planning tend to be more dynamic and challenging in the long run. Diversifying the funding bases means searching more private funding¹. Private funding was doubted because there is a lack of capital and no traditions of private donations in Finland. Europe and the United States differ markedly in their donation cultures. In addition, there tends to be an accumulation effect: the best universities are able to attract the major part of the donations available and also of the competitive research funds. There are also other strategies for the fund rising related to research (e.g. knowledge transfers) and teaching (e.g. continuing education, contract based education) but universities differ in their involvement to such activities.

Fund seeking is further related to strategic choices of the universities and to their specialisation and profiling. In this context, one core question in respect to financial autonomy is whether the state funding and other funding sources can be treated as a single income stream and can be allocated in accordance with universities' own priorities. Another core question is to create internal rules on institutional engagements with their external partners. Evans (2004) describes ethical and other types of problems from the case of Cambridge when increasing the involvement with the market.

Structural internal changes, a greater influence of external parties and financial responsibility are what the universities have to approve in return for greater autonomy. The universities will be like new ocean-going ships with new autonomy and they need new professional capacities to do their own steering. According to Salmi (2007, 233; see also

Dill 2001) capacities to undertake strategic planning, to do market research and analysis, to manage scientific research and technological innovations, financial planning and management, and performance management are important.

The autonomy reform aims to provide tools for the universities to operate in a competitive national and international market environment. This is one major goal of the Lisbon Strategy and it is incumbent upon the current Finnish Universities Act to collaborate with the external environment. This also implies expectations to diversify the funding bases and to increase incomes from commercial activities as forms of interaction between universities and their environment. Diversification also emerges with respect to the primary tasks of universities. There is need for a more consistent view of the range of purposes of universities and particularly from the point of view of commercial activities.

Autonomy is desired as any other type of 'good' but what negative or unintended consequences might there be? Salmi (2007) points out examples related to ethical breach and emphasises that autonomy is meaningful only to the extent that it actually empowers institutions in a responsible way. There are many arguments for greater autonomy but there is a need for empirical research on how university autonomy contributes to the performance of universities. Is the autonomy a stimulus as such that leads to innovative performance and excellent results or what else is needed? Usually, the answer to the latter is more financial resources but this cannot be the whole answer.

NOTE

¹ According to OECD (2008) public expenditure on tertiary education as a percentage of GDP was 2 per cent in Finland while the OECD average was 1.3 per cent in 2005.

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