

**Higher Education Reform in Italy:  
Tightening Regulation Instead of Steering at a Distance**

Davide Donina<sup>1,2§</sup>, Michele Meoli<sup>1,3</sup>, Stefano Paleari<sup>1,3</sup>

<sup>1</sup> CCSE – Cisalpino Institute for Comparative Studies in Europe, University of Bergamo, via Salvecchio 19, 24129 Bergamo, Italy.

<sup>2</sup> Department of Economics and Management, University of Pavia, via San Felice 5, 27100 Pavia, Italy.

<sup>3</sup> Department of Engineering, University of Bergamo, via Pasubio 7b, 24044 Dalmine (BG), Italy.

---

<sup>§</sup> *Contact author*: email: [davide.donina@unibg.it](mailto:davide.donina@unibg.it), tel.: +390352052283, fax: +39035243054

## **Abstract**

In December 2010, a comprehensive reform (Law 240/2010, or ‘Gelmini reform’) changed the institutional governance and internal organization of Italian state universities. This paper investigates the redefinition of the state role in the light of public management reform narratives, bridging them to the Governance Equalizer Model to evaluate how the on-going reform process has affected the power-sharing arrangement and coordination mechanisms in the Italian higher education system thus far. Rhetoric of reform was influenced by New Public Management narrative, and it was presented as a fundamental change with respect to the traditional Italian governance regime, based on detailed state regulation and academic self-governance. In practice, contradictions between the rhetoric of the reform and the effectiveness of implementation are evident: Italian reform complies more with the Neo-Weberian narrative and it did not have any substantial impact on power distribution.

**Keywords:** University governance; Higher education reform; Public management reform narratives; Governance regime; Italy; Gelmini Reform.

## **Introduction**

Since late 1970s, European governments began to reform the governance of higher education (HE) and research systems redefining the state's role and changing the balance of power within it (Ferlie et al., 2008). Many European countries developed policies of 'steering at a distance' (Kickert, 1995) by reducing state control and increasing autonomy, shifting from a centrally planned model to a more self-regulated one: coordination mechanisms changed from a traditional state-dominated regulation to an approach wherein various actors play a role ('multi-actor governance').

The reform process occurred also in Italy. The Parliament passed Law 240 of 30 December 2010 ('Gelmini reform'), a comprehensive reform of institutional governance and internal organization of Italian state universities which proclaims autonomy and accountability as its basic principles (Article 1). This paper analyses how the narratives of public management reform affected the HE system reform trajectory. However, we do not only aim to evaluate the state-university relationship, but also to examine how other actors interact and develop their activities to steer the system. To do this, we address the consequences of the on-going reform process on the power-sharing arrangement and coordination mechanisms in the Italian HE system employing the Governance Equalizer Model, a framework already employed in previous historical and international comparative studies (Kehm and Lanzendorf, 2006; de Boer et al., 2007; CHEPS, 2009; Schimank and Lange, 2009; Westerheijden et al., 2009). Firstly, we set up the theoretical framework of the paper, by bridging the Governance Equalizer Model to the public management reform narratives. Then we employ its governance dimensions to analyse the Italian case study.

The contribution of the paper is twofold. First, we contribute to the theoretical literature on HE reforms and coordination mechanisms by linking the Governance Equalizer Model to the public management reform narratives. Second, from the analysis of the Italian case study,

we show that the Italian reform, rather than the New Public Management approach, dominant in the HE policy literature, has been following a different trajectory, taking a Neo-Weberian path.

The article starts presenting the main narratives of reforms in public management literature. The following sections make a literature review on the relationship between the state and universities and on the coordination mechanisms in HE systems, presenting the Governance Equalizer Model and its dimensions (external regulation, external guidance, competition, academic self-governance, and managerial self-governance) and link it to public management reform narratives. Afterwards, we turn the focus on the Italian case, before presenting the historical context of the Italian HE policy and the climate in which the new act was passed, then analysing the actual power distribution in the Italian university governance according to the five governance dimensions. Finally we conclude with a discussion of how coordination mechanisms in the Italian HE sector have changed and identifying which public management reform narrative fits better to explain the on-going reform: although the new legal framework was supposed to represent a turnaround with respect to the past, it continues to tightly regulate the HE system and has not substantially affected the Italian HE governance regime.

### **Theoretical framework: Narratives of public management reform**

Higher Education institutions (HEIs) have always been considered a special type of organization. Mintzberg (1979) described universities as professional bureaucracies, because they operate within a strongly structured institutionalized field, while academics are characterized by a high degree of autonomy. Indeed universities were defined as loosely coupled organizations (Weick, 1976) wherein single organizational units have great

autonomy even if they formally belong to the same organization, and university governance as ‘organized anarchy’ (Cohen et al., 1972; Cohen and March, 1974) because the units pursue autonomous interests with a limited influence of central decisions. For these specific features, during the 20th century, HE governance was generally studied as a ‘stand-alone’ sector of state intervention, not directly or easily comparable with other types of organization, even within the public sector (Maassen and Olsen, 2007; Ferlie et al., 2008).

However the transformations recently experienced in the HE sector are similar to those undergone by other key public services. Therefore recent studies evaluated HE sector reforms within the main narratives of public services reform, and transformation of the HE systems in last decades has been frequently associated with the NPM narrative. However, in public management literature, Pollitt and Bouckaert (2011) identified even other two narratives to conceptualize reforms: Network Governance and Neo-Weberian state. Each narrative can be linked to specific conceptions and theories regarding the state role and relationships between the state and society and Ferlie et al. (2008) detailed the manner in which each applies the HE sector.

The NPM is a well-known public sector reform wave started since late 1970s during the economic downturn in Anglo-Saxon countries as reaction against traditional bureaucracy and ‘big government’ (Pollitt and Bouckaert, 2011). These reforms were based on the belief that governments became overloaded, so Western welfare states had become unaffordable, ineffective, and overly constraining on employees and citizens. The major intents of NPM reforms were to reduce public sector expenditures and to turn public organisations more efficient by substituting old public administration by a new one, based on the principles that guide private sector organisations and market laws. Consequently, NPM reform relies on increased competition between service providers and the creation of market (or ‘quasi-market’) mechanisms rather than planning, accountability and control for results through

strong performance measurement, and decentralisation of control to empowered and entrepreneurial management rather than collegial public sector professionals and administrators (Ferlie et al., 2008).

Network Governance narrative instead stresses the revision of the relationship between the state and civil society in a more participatory direction (Pollitt and Bouckaert, 2011) through the decentralisation of powers and horizontal channels: the state outsources the direct responsibility and steers the system through contracts, alliances building, partnership, and persuasion rather than hierarchy. In this narrative, the concept of ‘multi-level governance’ emerged to make sense of the new conditions and ‘governance’ replaced ‘government’ to denote the inclusion within governing processes of greater range of actors. The Network Governance narrative captures a change from a rather static view of steering towards a much more pro-active, flexible and dynamic approach. The state becomes a relationship facilitator, plays more an influencing and less a directing role, and devolves power, responsibility and authority to other actors.

Finally the third narrative is the Neo-Weberian one. It reflects a more optimistic and trusting attitude towards the state apparatus than NPM and believes that traditional bureaucracy has virtues which should be preserved (clear accountability, probity, predictability, continuity, close attention to the law) and combined with more efficient procedures and more flexible and responsive stance towards the need of an increasingly diverse citizenry. In this context, performance indicators are used more to assess impacts and guide administrative behaviour by the formulation of precise laws and regulations rather than by giving more discretion and then measuring results (Pollitt and Bouckaert, 2011). These conditions have led to a high degree of bureaucratisation of the public sector, which became inwards facing and emphasised procedural rather than substantive rationality, with attachment to procedural equity and due process. Some of these Weberian elements are substituted by

'*neo*' ones as the shift from internal orientation towards bureaucratic rules to an external orientation towards meeting citizens' needs. In the HE, it means outwards facing service planning and quality assurance system mechanisms which have academic ownership but also refer to students' needs and preferences. It entails a professionalization of the public service so that the bureaucrat is not just a legal expert but a professional manager oriented to meeting needs of citizens and students. Other '*neo*' elements are the supplementation (not replacement of) representative democracy by a range of devices for consultation with stakeholders, and a modernisation of laws to encourage a greater orientation to and achievement of results rather than correct following of processes through a shift in accountability and audit from *ex ante* to *ex post* control systems (Ferlie et al., 2008).

Each of the preceding narratives tells a policy and management story which in each country has been more or less influential and differently combined one with another (Ferlie et al., 2008). Scholars of public management in Mediterranean countries evidenced reforms in these countries have some elements borrowed from NPM toolkit, but a focus on them alone gives a very distorted picture of what has been going on because countries with Napoleonic traditions followed NPM in limited and selective ways (Kickert, 2007; Ongaro, 2009). Consequently, in this paper, rather than choosing one of the narratives as framework, we preferred to describe the main changes which occurred in the Italian HE system and finally to identify which perspective fits better to explain the Italian HE reform.

### **Models and Coordination Mechanisms in Higher Education Governance**

The literature on HE reform (Braun and Merrien, 1999; Gornitzka and Maassen, 2000; Kehm and Lanzendorf, 2006; de Boer et al., 2007, 2010; de Boer and File, 2009; Huisman, 2009; Paradeise et al., 2009a; Amaral et al., 2013) widely reports how HE systems have

transformed in European countries since the early 1980s. These studies mainly present a country focus, because each national system is embedded into its own regulations and bears nuances and peculiarities. Moreover different interpretive frameworks provide a lens through which the reform trajectories are assessed. Among the latter, two main approaches are evident: the actor-centred and structure models (Orr and Jaeger, 2009).

Most publications emphasize the state-university relationship, focusing on public policies and instruments by public authority to qualify the role of the state (Olsen, 1988; Neave, 1988; van Vught, 1989; Neave and van Vught, 1991; Kickert, 1995). Other studies evaluated different relationships in the sector, such as that between the state and academic profession (Musselin, 2013). Though nowadays the state is still the most influential actor and retains a substantial amount of influence, government role as a ‘lone coordinator’ has changed (Huisman, 2009), evolving towards one of a market engineer (‘meta-government’; de Boer and Jongbloed, 2012). Besides, policy implementation depends on cooperation and negotiation involving other actors as well. Consequently, the actor perspective, focused on the role of the state, appeared limited, and a more holistic approach was needed.

Thus, another stream of research identified the (collective) actors involved in HE governance and described their relationships, taking into account fundamental potential tensions, in order to qualify the prevailing mode of regulation. The seminal framework for the structure model of governance was Clark’s (1983) ‘triangle of coordination’. According to Clark, the market, state, and academic oligarchy were the basic dimensions/mechanisms of coordination to evaluate the institutional balance of power in the HE system. The triad was further developed by different authors. Clark himself identified hierarchical and entrepreneurial leadership of HEIs (‘organization’) as a fourth basic mechanism (Clark, 1998), while Braun and Merrien (1999) suggested the state dimension could be further split into two different dimensions: regulation and guidance.

Accordingly, Schimank (2002) identified five governance dimensions as relevant and proposed the ‘governance equalizer model’ based on the ensuing five dimensions (Kehm and Lanzendorf, 2006; Schimank and Lange, 2009):

1. *External regulation*: refers to the strict determination of processes which must be observed by academics and universities with respect to the organization of their activities. External regulation is typically exercised by the state and concerns traditional top-down authority. It regulates by directives, with the promulgation of an authoritative set of rules, usually legal rules, through which the government prescribes detailed behaviours.
2. *External guidance*: relies on the setting of overall development goals and general objectives, leaving universities room to manoeuvre. These goals may be prescribed or agreed upon by the actors involved. Therefore, external guidance is exercised by either the state, intermediary institutions, or other societal actors outside the science system (representatives of industry or non-for profit organizations) to which certain powers to guide has been delegated. Government remains an important stakeholder but how and by what means goals are achieved are left to universities and academics.
3. *Competition*: refers to the distribution of scarce resources (primarily public funds, but also students and academic staff) through competitive processes among and within universities. The success or failure is determined by either quantitative performance indicators measured in terms of outputs (performance-related funding) or the quality of proposals (tenders) with respect to a given project (i.e. research project or overall planning objectives in the sector) for which money is available. The latter type of ‘qualitative performance’ can be evaluated by peers or other experts.
4. *Academic self-governance*: constituted by professional communities (i.e. disciplines) and their mechanisms of consensus building, based on strong egalitarianism balanced by the authority of reputation, as well as on self-evaluation and control of activity through peer-

review. The peer review-based self-steering of the academic community is wielded, for instance, in decisions of funding agencies. Within universities, this mechanism has been institutionalized in the form of collegial decision-making bodies.

5. *Managerial self-governance*: characterized by formal hierarchical leadership position within universities. The role of university leadership in internal goal setting, regulation, and decision-making is at stake. This means that the roles of the executive head (top-level of managerial self-governance) and middle management (intermediate level) are re-defined by strengthening their capacity to make decisions with a series of hierarchically well-distinguished roles. The leadership commitment is focused on reaching certain objectives and power is exercised as either intra-organizational regulation or intra-organizational guidance.

The weight of individual governance dimensions varies across countries, time, and policy fields. The particular strength or weakness of the individual mechanisms of coordination in a specific system of rules forms a power parallelogram representing a ‘governance regime’. In the following sections we will use them to analyse the Italian reform trajectory.

### **Bridging Governance Equalizer Model and Public Management Reform narratives**

Before analysing the Italian reform, we link the governance equalizer model to the three public management reform narratives aforementioned.

According to the NPM narrative, competition is the main coordination mechanism, but to attain competitiveness, prerequisites are deregulation, the establishment of an organisational leadership able to effectively act on behalf of the university as a corporate actor and grater external guidance to give broad long-term orientation to university’s

competitive strategy (Schimank and Lange, 2009). Indeed management skills, markets and incentives become the key mechanisms of coordination. According to governance equalizer model, it means strong competition, external guidance by stakeholders and empowered managerial self-governance.

The network governance narrative instead relates on decentralisation of powers, outsourcing the direct responsibility and steering the system through networks. The concept of ‘multi-level governance’ is prominent, which means a strong external guidance by the state together with the regional and non-governmental stakeholders such as firms and civil society. The emphasis is on softer leadership skills and network-based approach, where competition and market-type coordination mechanisms have little emphasis, while the coordinating power is shared between social actors. Indeed, into the governance equalizer model, the dominant coordination mechanism is external guidance both by the state and external stakeholder, but into the network also the state regulation, academic and managerial self-governance interact.

Finally Neo-Weberian narrative reaffirms the role of the state and administrative law as well as representative democracy as central in the steering of HE sector. Therefore external regulation and academic self-governance are the dominant governance dimensions. However even external guidance by both the state through ex-post control systems and external stakeholder through consultation processes which feed into strategy making is relevant, while there is a rejection of the top-down leadership, hence of managerial self-governance dimension.

### **University Governance in Italy: Historical Context**

The Italian university system was a typical example of a centrally managed Napoleonic model wherein HE and research were seen as part of public services, and universities as

public agencies. Administrative action tended towards uniformity, laws and decrees defined detailed rules for institutions, and thus the university organizational culture of governance was highly legalistic and procedural (Reale and Potì, 2009). Academics were professionals with civil servant status, teaching and research operations were centred around disciplines and recruitment was assisted by prominent academics representing the national disciplinary community (Paradeise et al., 2009b). Thereby, Clark (1983) described Italian HE governance as a combination of authority of state bureaucracy and faculty guilds, while Braun and Merrien (1999) defined the Italian governance as an example of the ‘bureaucratic-oligarchic’ governance model typical of the European continental tradition. Collegial decision-making bodies, composed mainly of professors, dominated internal university governance, while institutional leadership, which was taken by academics, was weak: the rector was elected as a *primus inter pares*, his/her main roles were internal consensus building and mediating among different, often divergent, interests of internal disciplinary groups (Capano, 2008), while administrative personnel main function was to check that universities respected the law.

Law 168/1989 introduced structural changes and greater autonomy-accountability as the new principle for regulating the relationship between the state and universities. However, the ministry preserved the same professional powers and duties: rules for recruitment, status of personnel, level of salaries, ceiling on personnel expenditure and students taxes, and basic rules for the composition of HEIs’ government bodies remained centrally established. Indeed external regulation by the state through a large number of detailed rules and academic self-governance remained the dominant dimensions of governance.

In the 2000s, the ineffectiveness and inefficiency of governance structure were clearly perceived as a problem. The inherited governing structure led to a situation whereby internal governance ranges from an assemblaristic state, where the Academic Senate and Administrative Board, who officially held power, simply satisfied the requirements of the

most important internal interests, to a situation in which the rector prevailed, despite having little official power (Boffo and Dubois, 2005; Capano, 2008). The two collegial governing bodies presented large-scale isomorphism in their composition and an institutional decision-making characterized by seemingly bi-cameral dynamics (Paletta, 2004) with unclear responsibilities (Capano, 2010) and work overload on central decision-making bodies (Reale and Potì, 2009). Consequently, academic decisions were too slow (Moscati, 2012) and tangled up in the internal red tape: each issue that arose was scrutinized in some way even by the collegial body that did not exercise formal power over it (Capano, 2008). Moreover, the elected leaders, beholden to the electorate, could not usually act strategically or decisively focusing resources on strategic research areas; by contrast, a rather distributive approach to internal policy-making was generally adopted (Capano, 2010). Therefore, the former Minister of Education and University Letizia Moratti, and some highly regarded think tanks established advisory committees for reforming internal university governance (Capano, 2008).

At the rhetorical level, general discourse about reforming HE system was deeply influenced by NPM narrative. The old public administration was regarded no longer suitable to govern the increasing complexity and should be substituted by a more economic model able to reduce wasteful public expenditures, to establish greater transparency, accountability and responsiveness as the main driving principles and to develop management capacity and management for results in place of management for processes as a way towards efficiency and effectiveness in the use of public resources (Reale and Potì, 2009). At the same time, a climate of distrust towards HE system emerged: media headlines referred to professors as *baroni* ('barons', privileged class), while from a political viewpoint, HE was not seen as an important issue (Capano, 2010). Universities were perceived as a financial burden, despite Italy is the state among OECD countries with the lowest percentage of public expenditure on

tertiary education respect to overall national state public expenditure (OECD, 2013). Moreover, in the last years, due to the financial problem arising from the large public debt, the pressure to reduce HE spending has been felt as more and more urgent, and has put even more pressure on HEIs for efficiency. In this context of financial distress, the Parliament passed Law 240 to reform the governance of universities.

### **Coordination Mechanisms in the Italian HE Governance**

This section discusses the consequences of the on-going policy changes deriving from the enforcement of Law 240, by analysing the five coordination dimensions pinpointed by Schimank (2002).

#### *External regulation*

External regulation by the state was the traditional method of governing the HE sector in Italy. Like the previous framework law (Law 168/1989), Gelmini reform allows HEIs to draw their own statutes but, at the same time, governs constitution, attributions, organization, duties, and powers of various bodies. In fact, it established internal organizational uniformity for Italian state universities. The new ‘standard’ framework for institutional governance (Figure 1) provides for six central bodies: three governing bodies (Rector, Academic Senate, and Administrative Board), two auxiliary, evaluative and controlling bodies (Internal Evaluation Unit and Board of Auditors), and one managerial body (General Director). Main tasks and changes imposed by Gelmini reform to the governing bodies and internal structures of Italian universities are summarized in Table 1.

[INSERT FIGURE 1 SOMEWHERE HERE]

[INSERT TABLE 1 SOMEWHERE HERE]

To comply with the new legal regulation, the reform forced for the first time the concurrent rewriting of all Italian state university statutes by a dedicated committee nominated in every institution according to guidelines set by law. Then both central collegial governing councils must ratify alterations to the statutes with absolute majority vote.

Major innovations regarding the rector office is s/he is elected for a non-renewable six-year term (formerly, each institution freely determined length and renewability of the mandate) and it is no longer compulsorily s/he comes from the university where s/he candidates: the rector may be elected from among full professors working at any Italian university and is then appointed by the Minister of Education, University and Research. S/he is an *ex-officio* member of both the Academic Senate and Administrative Board and can chair both collegial bodies, but it is no more binding by law.

Internal governance clings to the dual collegial governing structure with both the *Consiglio di Amministrazione* (Administrative Board) and *Senato Accademico* (Academic Senate). Law 240 imposes restrictions on their composition and dimension. The Administrative Board becomes the main decision-making body, made smaller and capped at 11 seats. It includes by law the rector, student representatives (at least 15% of members, elected from among the student body), and a minimum number of external stakeholders. The once compulsory representation of different academic staff status (full professors, associate professors, researchers) and of technical and administrative staff is now optional, while Law 240 introduces the concept of professionalism for appointed board members, who are selected based on individual skills, either ‘managerial experience’ or ‘cultural-scientific competencies’. The Academic Senate is the other collegial governing body. Its members are elected from among the academic community, and each university estate (academics, non-

academic staff, and students) votes for its own representatives. The Senate may be larger than the board but is now capped at 35 members, proportional to the university size. Gelmini reform prescribes that, the rector apart, at least 15% of the members are elected from among the student body, and at least two-thirds from among the academic staff (at least one-third of them from among department heads), respecting institutional scientific-disciplinary differentiation. Among the latter group, not all middle-management executives must be included (faculty deans were *ex-officio* senate members under the former legislation).

Law 240 profoundly affects even university internal structures. Previous legal guidelines specified faculties and departments as internal organizational units, detailing their competencies, but without restricting their size. Gelmini reform establishes a single internal scientific structure –the department– though providing for the possibility of a maximum of 12 ‘connection structures’ -optional for institutions with fewer than 500 academic staff members- to coordinate and rationalize teaching activities and manage common services. The new departments are responsible for both teaching and research activities, previously assigned respectively to the faculties and (old) departments. Every department has to be composed by a minimum of 35 academic members (40 if the university has more than 1000 academic staff members) from homogenous disciplinary areas and is headed by an elected director.

Moreover the Ministry still prescribes detailed regulation in certain areas such as degree structure, academic working conditions, rules for recruitment, and tuition fees. Egalitarian principles and the strong drive towards homogeneity aimed at granting citizens an equal footing when applying for public employment jobs, are fundamental to the structure of Italian public sector. Thus, the quality of educational programs offered by different Italian universities should be considered equal throughout the nation, justifying the attribution of the

legal value to university academic qualifications, which persists to safeguard the homogeneous value of the degree even when institutional performance differs.

Legislative restrictions impose even a high level of standardization on the structure of academic degrees. Ministerial guidelines (ministerial decree 47/2013) define educational objectives to be fulfilled, contents, duration, composition (number of examinations), and minimum number of academic staff per degree programme.

The state's regulatory role is evident even in Human Resource Management (HRM). Personnel expenditures should not exceed by law (legislative decree 49/2012) 80 per cent of the sum of FFO (*Fondo di Finanziamento Ordinario*, institution basic funding) allocated by the Ministry and tuition fees; academic staff salaries are fixed nationally and institutions are not allowed to introduce performance-based contracts; besides since 2011, scientific staff wages have been frozen. Even academic staff turnover is limited by law since 2009 (Law 133/2008) and remain limited at 50 per cent for the following two years (Law 135/2012; Law 98/2013). Due to these restrictions, university personnel have been rapidly declining (Table 2).

[INSERT TABLE 2 SOMEWHERE HERE]

Law 240 introduced another main change regarding HRM: it replaced the status of tenure researcher with the non-tenure researcher. The new status applies only to new entrants and the overall maximum duration in the new position can be eight years.

Clearly, the state is still concerned with the preparation, promulgation, and enforcement of laws and decrees, with a tendency towards uniformity of administrative action. The bureaucratic stance tends to be of rule following, with actions based on legal control. Indeed

the hegemonic administrative paradigm and principle of legality (law as the basis of administrative action; Reale and Potì, 2009) persist as dominant in the Italian HE system.

### *External guidance*

External guidance entails authority devolving from the state to other actors who become involved in university development planning and defining objectives and priorities. Concurrently state authority is practiced by setting general objectives, while autonomy is left to institutions to reach them.

Law 240 increased the role of external stakeholders in institutional governance and decision-making process through the compulsory involvement of lay members into the Administrative Board. While the former law allowed institutions to decide their representation, Gelmini reform requires a minimum number of lay members, dependent on the board size: two if the board has fewer than 11 posts, three if it has exactly 11 seats. However, including external actors in institutional governing bodies is not seen as an important steering mechanism and accountability measure but rather as an undue interference in internal university affairs. Thus, lay representation will not likely be increased from the minimum to a majority of seats, as happens frequently in other European countries.

Funding policy is instead a powerful steering mechanism by the state for the exercise of external guidance. The government has tried to introduce competitive mechanisms in institutional funding through the ‘performance-based component’ of FFO since 2008 (Law 1/2009). However, the main portion of funds is still allocated according to actual and historical expenditures, while the performance-based component is limited to a small amount of basic funding (910 million euros in 2012, about 13 per cent of the total of 7 billion), and the formula to allocate it consists also of indicators tied to institutional dimension. Besides

tolerance bands restrict losses of the worst performing institutions to prevent financial problems, further limiting its efficacy.

Finally, Law 43/2005 mandated every university formulates a three-years development plan, but they are not used as steering mechanisms to select congruent performance indicators or for setting targets tied to strategic objectives.

### *Competition*

Worldwide competition among and within universities for resources, students, and best academics is increasing, reflecting the belief in the market as an effective regulating force and the idea that competition provides a mechanism for allocating resources efficiently.

In the Italian HE system, the competition for students is limited by legal regulations and minimum standards for all courses, which constrain opportunities for innovation and differentiation among institutions. On the students side, the legal value of university academic qualification strongly limits interest to select the best university. The freedom to choose is also restricted by costs, particularly if the university is far from home, because of the lack of student accommodations (Minelli et al., 2012). Consequently, the mobility of Italian students is generally quite low (more than 85% of enrolled students study in their home area, a percentage relatively constant over the last decade; CNVSU 2011), and only geographically close universities compete with each other for students (Rossi, 2009). Besides, the fact that FFO assigned to every university partially depends on the size of the (regular) student base, as well as tuition fees, has contributed to making increasing enrolment a priority for all institutions. Even competition for academic staff at institutional level is limited by tight regulation and academic civil servant status. Academic staff continue to be hired according to public administration rules, with salaries and working conditions (i.e. minimum teaching duties) defined by law at the national level and institutions are not allowed to offer performance-based contracts.

Only competition for funds increased. Public research grants has shrunk and the distribution of scarcer resources raised competitive pressure among individual researchers and projects.

In summary, the modifications introduced by Law 240 and ensuing ministerial decrees do not substantially affect competition into the sector. Competitive pressures at the institutional level remain modest, limited by state regulation. Contrarily, they are high at the individual level, for both recruitment and obtaining research grants, and are furthered by the suppression of tenure privilege for newly entering researchers.

#### *Academic self-governance*

Academic self-governance, together with state regulation, was formerly the strongest coordination mechanism. Collegial bodies at the central and internal levels made decisions regarding general academic matters as well as financial and strategic aspects of university development.

Law 240 attempts to improve inefficient decision-making in institutional governance including external members in governing councils to limit academics' self-governance, but their compulsory involvement in the board only as a minority makes it unlikely that consensus-based decision making will disappear. Moreover, universities can keep the old representative method, in which all three university estates have the right to elect their own representatives.

Gelmini reform establishes a clearer separation of authorities between academic and administrative affairs but does not break the structure of co-determination through two-governing bodies: academic senate functions are not limited to advisory roles, but it retains responsibility for teaching and research matters. One of the most important innovation regarding the senate is that the reform allows it to propose a motion of no confidence in the

rector, with a majority of two-thirds vote. If the motion is approved by the rector's electorate, composed of three university estates, s/he is dismissed. This choice is a clear reaffirmation of the principle of academic self-governance, which maintains the rector accountable to the electorate.

Academic self-governance remains prominent even in the allocation of research grants and recruitment procedures. In fact research grants are allocated based on ex-ante evaluations of project tenders by peer evaluation panels, while recruitment, even if the number of disciplinary fields was reduced from 370 to 184 (ministerial decree 159/2012), remains based on disciplinary evaluation panel consisting of prominent academics working in pertinent scientific-disciplinary field at other Italian universities. Hence academics retain a strong voice in the scientific staff recruitment and selection procedure is tied to a discipline-based focus. Italian recruitment clings to Mode 1 research, whereas international knowledge production is evolving towards to Mode 2 (Gibbons et al., 1994; Nowotny et al., 2001).

In conclusion, academic self-governance as a coordination mechanism remains strong in Italy, not only in the institutional decision-making, but also in the allocation of research grants and scientific staff HRM.

### *Managerial self-governance*

In the European continental tradition, managerial self-governance was nearly absent, the rector being a *primus inter pares* whose main role was to build internal consensus across disciplinary powers. However, HE reforms in many European countries devolved authorities to institutional management to speed up decisions and afford universities in operating as a whole, strengthening their capacity to make strategic decisions. This entailed verticalization and centralization of decision-making powers at institutional level, implementing unitary governance with one person in charge of both academic and administrative matters, and the

appointment replaced elective method in the choice of top-leadership and middle management, with opportunities for organizational leadership to act on behalf of the university.

Law 240 does not follow this trend. It does not modify dual leadership governance, wherein the elected academic leader shares the floor with the head of administration at each organizational level. At central level, rector shares now the floor with the General Director, who replaces the Administrative Director. The change of name highlights the assignment to the General Director of not only the overall organization and management of administrative matters, but also of non-academic personnel, according to the board's guidelines.

Rector and department heads continue to be elected from among full professors, and managerial skills are not evaluated as a precondition to candidate: they are still considered as *primi inter pares* rather than as managers. At internal level, the real decision-making power still lies in department councils, while, at central one, rector remains accountable to the academic community, which now can distrust him/her. Moreover s/he return to being a professor when the term ends. Therefore, it is unlikely s/he want to make enemies during the rectorship and this may prevent him/her from making decisions which harm colleague interests. Finally, the shrinking of public sources limits university management's steering opportunities.

In conclusion, Law 240 did not empower the rector and department heads by giving them greater steering powers. Only the decision to limit the rector's office to one term makes him/her less preoccupied with building internal consensus in order to be re-elected.

## **Discussion and Conclusions**

Historically, Italian governance was comparable to the 'European continental model' wherein state bureaucrats and academics held the major power and dominated internal decision-

making processes. However, in the new century, university governance was seen as inefficient. Indeed a comprehensive reform of university institutional governance was approved.

Policy rhetoric stressed the introduction of managerial principles and Law 240/2010 was presented as a turnaround in governance. However, instead of following the example of HE policy reforms in other European countries, which adopted a ‘steering at a distance’ approach, the new Italian legislative framework even tightening regulation. Competition at the institutional level remains modest, while the managerial approach to institutional governance is not promoted, reaffirming academic self-governance and the role of rector and middle management as *primi inter pares*.

Rather than the NPM narrative, the Neo-Weberian one is more pertinent to explain the on-going reform in the Italian HE sector. Centralisation of power in the hands of state persists, it retains formal control over funding, curricula, HRM (together with academic oligarchy) and their turnover, while universities remain conceived as homogeneous bodies with limited autonomy. Fundamental Weberian principles as the state role in steering the HE strongly, the role of representative democracy, and the idea of a public service with a distinctive status and terms and conditions persist. Furthermore the role of administrative law (principle of legality) and the retention of the strong notions of due process are reaffirmed: Law 240/2010 established outstanding organizational uniformity for institutional governance and internal structures, eliminating faculties, creating smaller decision-making bodies and bigger departments, setting quantitative standards and restrictions as well as governing their constitution, attributions, duties, and powers. However not all the ‘Neo’ elements are well-developed. Performance indicators continue to be used more to assess impacts and guide administrative behaviour by the formulation of precise laws and regulations instead of giving more discretion and then measuring results: accountability and quality assurance mechanisms

are more concerned in improving means of ex-ante control than pursuing ex-post evaluation practices.

Therefore the relationship between the state and universities in Italy remains linked to a command and control policy scheme. The state did not cede power and responsibilities linked to key aspects of HE system (i.e. institutions are not given autonomy to hire or manage their own academic staff and the inability to act strategically is not dealt with), and the reform reveals a position in which the state wants to play the role of controller of public action rather than that of supervisor or facilitator. Instead of a turnaround in governance granting autonomy to universities, the reform major intent seems to reduce state expenditures leaving almost intact the existing governance regime: classical Weberian scheme of values and rule observance persist and bureaucratic fulfilment will remain the dominant approach for universities.

In conclusion, gaps, contradictions and inconsistencies between the rhetoric of the reform and the effectiveness of implementation are evident. Despite the proclaims, a reform aiming to provide more autonomy to the universities is not possible unless a change in the organizational form and culture of the Italian state. Finally, this paper draws the attention on the fact that a perspective considering a single public management reform narrative on HE policy in European countries is very limited. A natural future development of this stream of research could focus on comparative studies among states with similar governance traditions but different reform trajectories, in order to shed light on which reform path and governance regime is better suitable to improve the university system as a whole.

## **Acknowledgements**

We acknowledge support by Fondazione Cariplo. We are grateful for their useful comments to the two anonymous peer reviewers, to Manuel Heitor and the participants at workshop ‘Policies for Science and Higher Education in Europe’, Bergamo (Italy), June 2013, and at 10<sup>th</sup> International Workshop on Higher Education Reforms ‘Looking Back–Looking Forward’, Ljubljana (Slovenia), October 2013, where previous versions of the paper were presented.

## **References**

- Amaral, A., Tavares, O. and Santos, C. (2013) ‘Higher Education Reform in Portugal: A Historical and Comparative Perspective of the New Legal Framework for Public Universities’, *Higher Education Policy* 26(1): 5–24.
- Boffo, S. and Dubois, P. (2005) ‘Changes in University Governance in France and in Italy’, *International Review of Administrative Sciences* 71(1): 35-54.
- Braun, D. and Merrien, F.-X. (1999) *Towards a new model of Governance for Universities? A comparative view*, London: Jessica Kingsley.
- Capano, G. (2008) ‘Looking for Serendipity: The Problematic Reform of Government within Italy’s Universities’, *Higher Education* 55(4): 481-504.
- Capano, G. (2010) ‘A Sisyphean Task: Evaluation and Institutional Accountability in Italian Higher Education’, *Higher Education Policy* 23(1): 39–62.
- CHEPS (2009) *The Extent and Impact of Higher Education Governance Reform across Europe. Final report to the Directorate-General Education and Culture of the European Commission*, Brussels: European Commission.

- Clark, B. (1983) *The Higher Education System. Academic organization in Cross-national perspective*, Berkeley and Los Angeles: University of California Press.
- Clark, B. (1998) *Creating the Entrepreneurial University: Organizational Pathways of Transformation*, Oxford: Pergamon.
- Cohen, M.D., March, J.G. and Olsen J.P. (1972) 'A Garbage Can Model of Organizational Choice', *Administrative Science Quarterly* 17: 1-25.
- Cohen, M.D. and March, J.G. (1974) *Leadership and ambiguity: the American college president*, New York: McGraw-Hill.
- Comitato nazionale per la valutazione del sistema universitario (CNVSU) (2011) *Undicesimo Rapporto sullo Stato del Sistema Universitario*, Roma: MIUR.
- de Boer, H.F., Enders, J. and Schimank, U. (2007) 'On the ways towards New Public Management? The Governance of University Systems in England, the Netherlands, Austria and Germany' in D. Jansen (ed.) *New Forms of Governance in Research Organizations: Disciplinary Approaches, Interfaces and Integration*, Dordrecht: Springer, pp. 137-152.
- de Boer, H.F., Enders, J., File, J. and Jongbloed, B. (2010) *Governance reform: Progress in higher education reform across Europe. Volume 1: Executive summary report*, Brussels: European Commission.
- de Boer, H.F. and File, J. (2009) *Higher education governance reforms across Europe*, Brussels: ESMU.
- de Boer, H.F. and Jongbloed, B. (2012) 'A Cross-National Comparison of Higher Education Markets in Western Europe', in A. Curaj, P. Scott, L. Vlasceanu and L. Wilson (eds.) *European Higher Education at the Crossroads: Between the Bologna Process and National Reforms*, Dordrecht: Springer, pp. 553-571.

- Ferlie, E., Musselin, C. and Andresani, G. (2008) 'The steering of higher education systems: a public management perspective', *Higher Education* 56(3): 325–348.
- Gibbons, M., Limoges, C., Nowotny, H., Schwartzman, S., Scott, P. and Trow, M. (1994) *The New Production of Knowledge: The Dynamics of Science and Research in Contemporary Societies*, London: Sage.
- Gornitzka, Å. and Maassen, P. (2000) 'National Policies Concerning the Economic Role of Higher Education', *Higher Education Policy* 13(3): 267–285.
- Huisman, J. (ed.) (2009) *International Perspectives on the Governance of Higher Education: Alternative Frameworks for Coordination*, London: Routledge.
- Kehm, B.M. and Lanzendorf, U. (eds.) (2006) *Reforming University Governance: Changing Conditions for Research in Four European Countries*, Bonn: Lemmens.
- Kickert, W. (1995) 'Steering at a distance: a new paradigm of public governance in Dutch higher education' *Governance: An International Journal of Policy and Administration*, 6(1), 135-157.
- Kickert, W. (2007) 'Public Management Reforms in Countries with a Napoleonic State Model' in C. Pollitt, S. van Thiel, and V. Homberg (eds.) *New Public Management in Europe: Adaptation and Alternatives*, Basingstoke: Palgrave Macmillan, pp. 26-51.
- Maassen, P. and Olsen, J.P. (eds.) (2007) *University Dynamics and European Integration*, Dordrecht: Springer.
- Minelli, E., Rebora, G. and Turri, M. (2012) 'Waiting for the Market: Where is the Italian University System Heading?', *Higher Education Policy* 25(1): 131–145.
- Mintzberg, H. (1979) *The structuring of organisations: A synthesis of the research*, Englewoods Cliffs: Prentice Hall.
- Moscato, R. (2012) 'University Governance in Changing European Systems of Higher Education', in A. Curaj, P. Scott, L. Vlasceanu and L. Wilson (eds.) *European Higher*

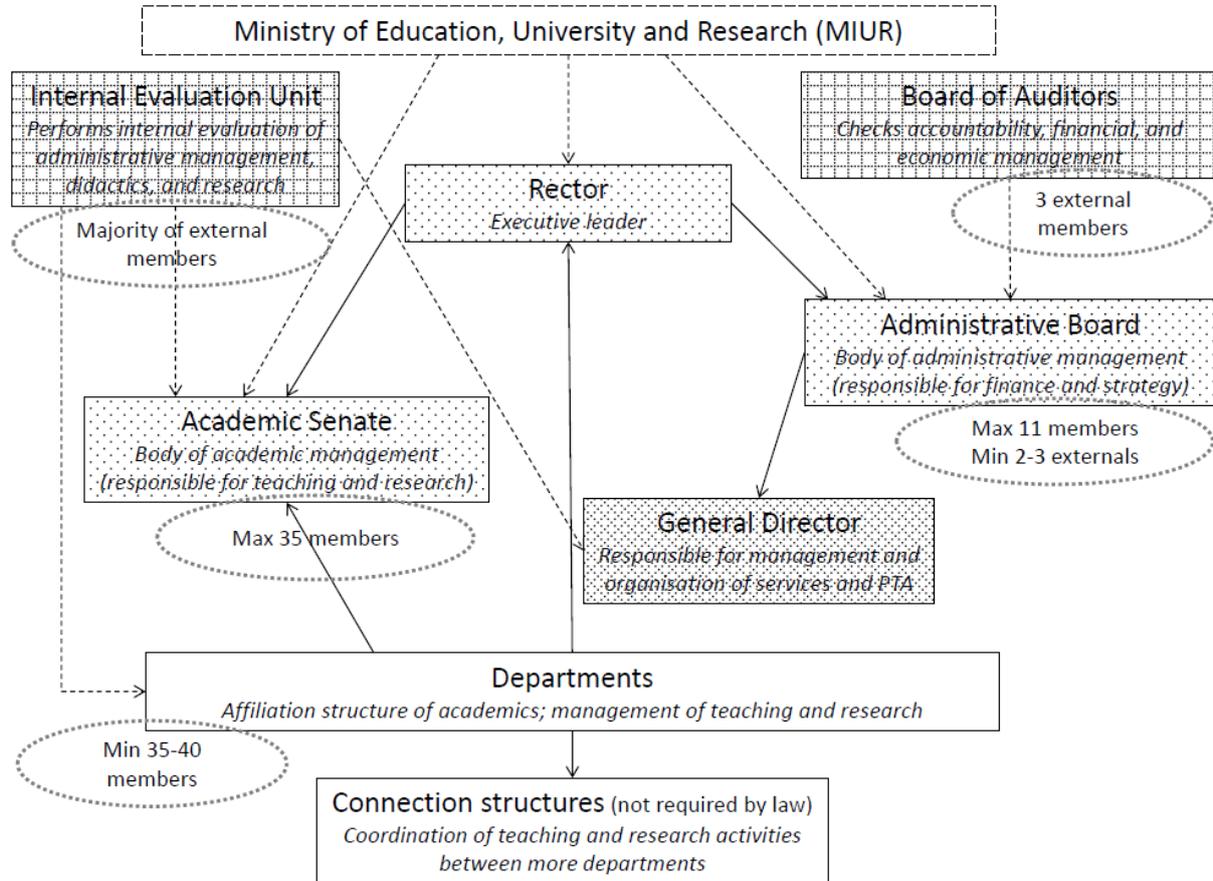
- Education at the Crossroads: Between the Bologna Process and National Reforms*, Dordrecht: Springer, pp. 599-611.
- Musselin, C. (2013) 'Redefinition of the relationships between academics and their university', *Higher Education* 65(1): 25-37.
- Neave, G. (1988) 'On the Cultivation of Quality, Efficiency and Enterprise: An Overview of Recent Trends in Higher Education in Western Europe, 1986–1988', *European Journal of Education* 23(1/2): 7–23.
- Neave, G. and van Vught, F.A. (eds.) (1991) *Prometheus Bound. The Changing Relationship Between Government and Higher Education in Europe*, Oxford: Pergamon.
- Nowotny, H., Scott, P. and Gibbons, M. (2001) *Re-Thinking Science. Knowledge and the Public in an Age of Uncertainty*, Cambridge: Polity Press.
- OECD (2013) *Education at a glance 2013*, Paris: OECD.
- Olsen, J.P. (1988) 'Administrative reform and theories of organisation', in C. Campbell and B.G. Peters (eds.) *Organizing governance: governing organizations*, Pittsburgh: University of Pittsburgh Press, pp. 233-254.
- Ongaro, E. (2009) *Public Management Reforms and Modernization: Trajectories of Administrative Change in Italy, France, Greece, Portugal and Spain*, Cheltenham: Edward Elgar.
- Orr, D. and Jaeger, M. (2009) 'Governance in German Higher Education: Competition Versus Negotiation Of Performance', in J. Huisman (ed.) *International Perspectives on the Governance of Higher Education: Alternative Frameworks for Coordination*, London: Routledge, pp. 13-32.
- Paletta, A. (2004) *Il governo dell'Università*, Bologna: Il Mulino.
- Paradeise, C., Reale, E., Bleikie, I., and Ferlie, E. (eds.) (2009a) *University Governance: Western European Comparative Perspectives*, Dordrecht: Springer.

- Paradeise, C., Bleikie, I., Enders, J., Goastellec, G., Michelsen, S., Reale, E. and Westerheijden, D.F. (2009b) 'Reform Policies and Change Processes in Europe', in J. Huisman (ed.) *International Perspectives on the Governance of Higher Education: Alternative Frameworks for Coordination*, London: Routledge, pp. 88-106.
- Pollitt, C. and Bouckaert, G. (2011) *Public Management Reform. A Comparative Analysis: New Public Management, Governance, and the Neo-Weberian State*, Oxford: Oxford University Press.
- Reale, E. and Potì, B. (2009) 'Italy: Local Policy Legacy and Moving to an 'In Between' Configuration' in C. Paradeise, E. Reale, I. Bleikie and E. Ferlie (eds.) *University Governance: Western European Comparative Perspectives*, Dordrecht: Springer, pp. 77-102.
- Rossi, F. (2009) 'Increased Competition and Diversity in Higher Education: An Empirical Analysis of the Italian University System', *Higher Education Policy* 22(4): 389–413.
- Schimank, U. (2002) *Governance in Hochschulen. Vortrag im Rahmen der Veranstaltung "Professionelles Wissenschaftsmanagement als Aufgabe" des Zentrums für Wissenschaftsmanagement*, Speyer: ZWM.
- Schimank, U. and Lange, S. (2009) 'Germany: A Latecomer to New Public Management' in C. Paradeise, E. Reale, I. Bleikie and E. Ferlie (eds.) *University Governance: Western European Comparative Perspectives*, Dordrecht: Springer, pp. 51-75.
- van Vught, F.A. (ed.). (1989) *Governmental Strategies and Innovation in Higher Education*, London: Jessica Kingsley.
- Weick, K.E. (1976) 'Educational organizations as loosely coupled systems', *Administrative Science Quarterly* 21(1): 1-20.
- Westerheijden, D.F., de Boer, H.F. and Enders, J. (2009) 'Netherlands: An 'Echternach' Procession in Different Directions: Oscillating Steps Towards Reform.' in C. Paradeise,

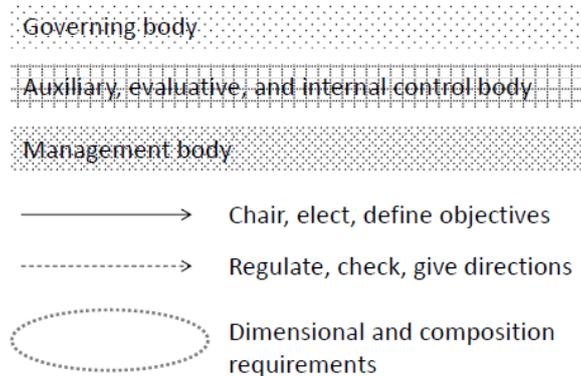
E. Reale, I. Bleiklie and E. Ferlie (eds.) *University Governance: Western European Comparative Perspectives*, Dordrecht: Springer, pp. 103-125.

## Figures and Tables

**Figure 1:** Organization chart of ‘standard’ institutional governance after the ratification of Law 240



### Legends



**Table 1:** Key tasks and changes to the new main bodies and structures of Italian universities

<b>Body</b>	<b>Key tasks</b>	<b>Changes</b>
<b>Rector</b>	Main decision-making body Legal representative Responsible for political and strategic orientation Fulfil operational and managerial tasks Residual competences	Term of office set by law (6 years) Term not renewable Major role in the governance
<b>Academic Senate</b>	Responsible for teaching  Responsible for research  Responsible for services to students	Size cap (proportional to institutional dimension; maximum 35 members) Can dismiss the Rector by a motion of no confidence
<b>Administrative Board</b>	Main decision-making body Responsible for strategic decisions  Responsible for financial sustainability	Size cap (11 members) Professionalism of members: managerial competences (previously elected) Presence of a minimum number of lay members
<b>General Director</b>	Management and organisation of services Management and organisation of non-academic personnel	Not only administrative tasks but also managerial ones Becomes responsible of non-academic personnel management
<b>Internal Evaluation Unit</b>	Evaluation of teaching Evaluation of research Link internal and external governance	Professionalism of members Majority of lay members
<b>Board of Auditors</b>	Responsible for accountability and financial regularity	
<b>Departments</b>	Responsible for teaching and research	Unification into departments of teaching and research functions Composed by a minimum number of academic staff members

**Table 2:** Academic and non-academic staff in the Italian state universities on 31 December of each year

<b>State Universities</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>Δ</b>	<b>Δ %</b>
Tenure Academic Staff	52.456	53.901	55.199	58.307	60.254	-7.798	-12,9%
Full Professors	13.841	14.532	15.169	17.174	18.218	-4.377	-24,0%
Associate Professors	15.435	15.884	16.229	16.858	17.547	-2.112	-12,0%
Tenure Researchers	23.180	23.485	23.801	24.275	24.489	-1.309	-5,3%
Non-tenured Researchers	1.770	1.049	732	408	304	1.466	482,2%
Non-academic Staff	55.810	57.459	58.966	61.873	69.916	-14.106	-20,2%

Personal processing based on Statistica MIUR and CINECA data. Figures refer to the 67 Italian state universities. For institutions with missing data, they were estimated as average between the previous and following years.