# STATE HIGHER EDUCATION COUNCILS IN INDIA

## Opportunities and Challenges

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# PREFACE

This report was prepared by a team led by Kurt Larsen (Senior Education Specialist) and consisting of Toby Linden (Lead Education Specialist) as well an Jannette Cheong, Venkatesh Kumar, Aims McGuinness, Soumya Mishra and Nick Sanders (all consultants to the World Bank). The team would like to express its gratitude to all the eight State Higher Education Councils in India, as well as all their stakeholders who were interviewed as part of gathering material for the this report. Their insights and willingness to share information were instrumental in drafting this report.

The draft was reviewed by Prof. Anandakrishnan, former Vice-Chancellor of Anna University and former Vice-Chairman of the Tamil Nadu State Council for Higher Education; T.P. Sreenivasan, Former Ambassador and Vice-Chairman and Executive Head of the Kerala State Higher Education Council; Professor N.V. Varghese, National University of Educational Planning and Administration; and Nina Arnold (Senior Education Specialist) and Francisco Marmolejo (Tertiary Education Coordinator), both from the World Bank. The team is grateful for all the comments received which contributed significantly to the improvement of the report. Amit Dar (Education Sector Manager) provided overall management support and guidance throughout the process. Renu Gupta provided excellent administrative support throughout the preparation and consultation phase.

This report analyzes the characteristics, main functions, as well as the key initiatives and results of the existing state higher education councils in India. The report reveals a significant gap between the legal obligations and actual current practices of existing State Higher Education Councils (SHECs) and the expectations of *Rashtriya Uchchatar Shiksha Abhiyan* (RUSA). There is furthermore a compelling need to strengthen the role and functions of the existing SHECs as well as building sound legal frameworks for the new SHECs to be established. The report underscores the need for developing the skills and competencies of staff in order to carry out critical functions such as planning and the use of data/information in decision-making. The establishment of effective SHECs is an essential step for accomplishing the goals of the RUSA scheme.

Venkatesh Kumar and Soumya Mishra drafted the chapter on "State Higher Education Councils in India" (Annex I). This chapter is based on detailed interviews with all the eight SHECs as well as the higher education stakeholders that the Councils are interacting with the analysis of the eight SHECs was done until May 2014 and it has not been possible to take any new developments of the SHECs in to the report since them.

Lessons from international case studies of higher education councils in China, England and the US that might inspire the Indian states in their effort to develop their State Councils, are provided in Annex II. A research team at *Nankai* University, with Ru Ning, Chen Bateer, Song Qiurong and Liu Qinghua under the guidance of the President of *Nankai* University, Gong Ke, wrote the China country case study; Jannette Cheong and Nick Sanders were in charge of the England country case study and Aims McGuinness and Kurt Larsen of the US country case study.

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# SYNTHESIS CHAPTER:
## State Higher Education Councils in India:
## Opportunities and Challenges

## Introduction

One of the pre-requisites of the *Rashtriya Uchchatar Shiksha Abhiyan* (RUSA) Scheme requires that states form a State Higher Education Council (SHEC). This represents a fundamental change in Indian higher education policy, especially in recognition of the role of the states as the unit of planning, and the intent that multiple funding streams to states (Central and State) be aligned with the SHEC planning. However, beyond the RUSA requirements, the scale and complexity of the Indian higher education system require that the states play a more active role in planning and coordinating the system. To carry out this more active role, states must have effective State Higher Education Councils.

The RUSA Scheme is expected to deliver key academic, administrative and governance reforms in the state higher education system during the 12th and 13th Plans. There are 16 RUSA objectives listed. The 16th is 'Facilitate the creation of State Higher Education Councils (SHECs)'. *The intent of RUSA is that SHECs are to play a central role in the delivery of the RUSA vision* "to attain higher levels of access, equity and excellence in the state higher education system with greater efficiency, transparency, accountability and responsiveness." The other 15 are high-level aspirational policy objectives – each one of which would most likely be viewed as medium- to long-term goals in other countries.

It is foreseen that the SHECs will have the following *planning, monitoring and evaluation,*

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**Excerpt from RUSA document**

The formation of SHEC forms the primary block towards building a sound planning and funding mechanism for higher education at state level. Given the number of state universities and the large number of students they cater to, it only makes sense to have state as the unit of planning for higher education. State universities, numerous as they are, cannot be monitored though a central system. Also, Center only has a partial role in funding these institutions while States provide the rest of the funding. The lack of coordination between States and Center produces an information gap that leads to faulty resource planning and allocation. The states have often expressed their need to stay informed regarding central allocations to state institutions. Thus, it is necessary to create SHEC as a body that is at an arm's length from the state as well as center, synergizes their resources and fulfils these functions of planning, monitoring, quality control and co-ordination at the state level. The SHECs would be responsible for planned and coordinated development of higher education in the State and to foster sharing of resources between universities, benefit from synergy across institutions, lead academic and governance reforms at the institution level, establish principles for funding institutions, maintain a databank on higher education and conduct research and evaluation studies. Ministry of Human Resource Development, 2013 p. 149.

*quality assurance, advisory and funding functions:*

## Strategy and Planning

❖ Preparing the State Higher Education Plan (Perspective Plan, Annual Plan and Budget Plan).

❖ Gathering state institutions' inputs that will contribute to the State Higher Education Plan.

❖ Coordination between apex bodies, regulatory institutions and government.

## Monitoring and Evaluation

❖ Monitoring the implementation of State Higher Education Plans.

❖ Creating and maintaining the Management Information Systems (MIS).

❖ Compiling and maintaining periodic statistics at state and institutional level.

❖ Evaluating state institutions on the basis of norms and Key Performance Indicators (KPIs) developed.

## Quality Assurance and Academic Functions

❖ Encouraging and supporting faculty quality enhancement.

❖ Ensuring the integrity and quality of examinations.

❖ Ensuring that quality of curricula are maintained.

❖ Promoting innovation in research.

❖ Protecting institutional autonomy of all state institutions.

❖ Approving new institutions/colleges.

❖ Promoting accreditation reforms.

## Advisory Functions

❖ Advising the state government on strategic investments in higher education.

❖ Advising universities on statute and ordinance formulation.

## Funding Functions

❖ Disbursing public funds to universities and colleges on the basis of the State Higher Education Plan and transparent norm-based funding methodologies.

While the RUSA document lays out some basic expectations of SHECs, it will be the responsibility of state governments to establish their own SHEC, meeting their own specific needs.

To provide guidance to states implementing SHECs, this report draws on case studies of eight Indian states with existing SHECs, and case studies of three countries: China, England, and the United States, each of which has had experience of SHECs.

# Case Studies of Existing State Higher Education Councils in India

*Several states have had prior experience with the establishment and operation of SHECs.* The National Policy on Education, 1986, recommended the creation of SHECs as an intermediary body for better planning and coordination of state higher education systems, recognizing the size, scale and complexities of the Indian higher system. Following this recommendation, over the years eight states established SHECs. Seven SHECs (in Andhra Pradesh, Karnataka, Kerala, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal) were established through an Act of the legislature, while the state of Gujarat established its SHEC through an executive order.[1]

Recognizing the central role that SHECs are to play under RUSA, this project reviewed the challenges facing India's existing State Higher Education Councils in meeting the role and functions foreseen

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1   Different states used various names for their body performing the role of a state higher education council.

under RUSA[2]. The review analyzed the following questions:

- ❖ What are the characteristics of the existing councils (legal status, powers, membership, record of performance, etc.)?

- ❖ To what extent do the existing state councils conform to the RUSA requirements?

- ❖ What lessons can be drawn from the experience of the existing SHECs in making the transition from the existing state councils to councils that meet the RUSA requirements, or from the establishment of new state councils that meet these requirements?

## Observations from Indian Case Studies

The following section is organized according to the major functions specified in RUSA. *As a general observation, the case studies reveal a significant gap between the formal (de jure) state legal provisions related to SHECs' functions and the actual implementation (de facto) of these provisions.* Several SHECs have been bestowed with certain formal powers and responsibilities, but in practice they have not exercised their full authority as can be seen from the summary of the Indian SHEC review findings set out in Table 1. Several of the SHECs have the foreseen RUSA powers and functions ("Legal obligations – in black") but they are not applied in practice ("Current Practice – in red").

Furthermore, the Council members of the SHECs in Maharashtra, Uttar Pradesh and Gujarat have seldom met and essentially have not been functioning. Nevertheless, the Secretariats of these Councils have been able to carry out some tasks as shown in Annex I. However, the Department of Higher Education in Uttar Pradesh has in April 2014 through a Government notification reconstituted its SHEC with the appointment of an academic as its Chairman.

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2   For a detailed overview of the eight Indian SHEC case studies, please see Annex I – State Higher Education Councils in India.

## Strategy and Planning

Most SHECs are authorized to carry out functions such as strategic planning including, preparation of state higher education plans and regular interface with other regulatory bodies. However, in practice, *the existing SHECs have not been involved in any kind of state-wide planning activities, and the direct and highly fragmented funding of institutions by Central and State funding bodies has taken place with little reference to coordinated planning and needs assessment at the state level.*

## Monitoring and Evaluation

Three states, Andhra Pradesh, Gujarat and West Bengal provide for the SHEC to have a role in monitoring and evaluation. There are instances in which the SHEC has played a meaningful role. As examples, the SHEC in Gujarat has adopted the *Mission Mode Implementation* program to ensure that all the initiatives are well developed, planned, implemented and monitored, even if its Council members have not met on a regular basis. The planning and implementation of activities, information collection and dissemination are done using this structure. West Bengal has instituted an academic and administrative audit function within institutions. *In general, however, SHECs have not carried out a monitoring and evaluation function of either the higher education system or institutions.* One important reason for this is that none of the SHECs has a robust Management Information System (MIS) and the ability to compile and maintain periodic, reliable data, although the state of Gujarat has this as one of its stated objectives of the Gujarat Knowledge Consortia. The SHECs have furthermore not developed a framework for evaluation of institutions. There is an absence of norms and Key Performance Indicators (KPIs) to evaluate institutions.

## Quality Assurance and Academic Functions

*Several of the SHECs have begun to address some quality assurance and academic issues.* West Bengal, Tamil Nadu, Uttar Pradesh,

| Establishment, Powers and Functions of State Higher Education Council | Andhra Pradesh | | Gujarat | | Maharashtra | | Karnataka | | Kerala | | Tamil Nadu | | Uttar Pradesh | | West Bengal | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Legal | Practice | Legal | Practice | Legal | Practice | Legal | Practice | Legal | Practice | Legal | Practice | Legal | Practice | Legal | Practice |
| **Strategy and Planning** | | | | | | | | | | | | | | | | |
| 1. Preparing the State Higher Education Plan (Perspective Plan, Annual Plan and Budget Plan) | ✓ | | | | | | ✓ | | ✓ | | ✓ | | ✓ | | ✓ | |
| 2. Providing state institutions with inputs for creating their Plans and implementing them | ✓ | | | | | | ✓ | | ✓ | | ✓ | | ✓ | | | |
| 3. Coordination between apex bodies, regulatory institutions and government | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ |
| **Monitoring and Evaluation** | | | | | | | | | | | | | | | | |
| 4. Monitoring the implementation of State Higher Education Plan | ✓ | | | | | | | | | | | | | | ✓ | |
| 5. Creating and maintaining the Management Information Systems | | | ✓ | | | | | | | | | | | | | |
| 6. Compiling and maintaining periodic statistics at state and institutional level | | | ✓ | | | | | | | | | | | | | |
| 7. Evaluating state institutions on the basis of norms and KPIs developed | | | | | | | | | | | | | | | | |
| **Quality Assurance and Academic Functions** | | | | | | | | | | | | | | | | |
| 8. Faculty quality enhancement functions | | | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 9. Quality of examinations | ✓ | ✓ | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 10. Maintaining quality of curriculum | ✓ | ✓ | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 11. Promoting innovation in research | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ |
| 12. Protecting autonomy of state institutions | ✓ | ✓ | | | | | ✓ | ✓ | ✓ | ✓ | | | | | | |
| 13. Providing approval for setting up of new institutions/colleges | ✓ | ✓ | | | | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 14. Promoting accreditation reforms | ✓ | ✓ | | | | | | | ✓ | ✓ | | | | | | |
| **Advisory Functions** | | | | | | | | | | | | | | | | |
| 15. Advising state government on strategic investments in higher education | ✓ | ✓ | | | | | | | ✓ | ✓ | | | | | | |
| 16. Advising universities on statute and ordinance formulation | ✓ | ✓ | | | | | | | ✓ | ✓ | ✓ | ✓ | | | | |
| **Funding Functions** | | | | | | | | | | | | | | | | |
| 17. Disbursing funds to state universities and colleges on the basis of the State Higher Education Plan and transparent norms | | | | | | | | | | | | | | | | |

Andhra Pradesh and Kerala have taken some steps – such as updating of the curriculum, reform of examinations, and approvals to set-up new institutions.

## Advisory Functions

The SHECs' advisory functions include providing legal inputs to the states through amendments to the Acts and legislative formulations, and advising states on strategic investments to institutions of higher education. This function is assigned to three SHECs (Andhra Pradesh, Kerala and Tamil Nadu). *Only the SHECs in these three states provide advice and support to institutions on issues such as formulation of statutes and ordinances for better and effective functioning of the university system. Most SHECs seem to undertake work which largely makes recommendations, or is advisory and more in the nature of organizing seminars and conferences.*

## Funding Functions

*States have not empowered the existing SHECs with any significant funding allocation authority.* One reason the SHECs have not played a more significant role is that funding bodies (both Central e.g. the University Grants Commission [UGC], and State) allocate funding directly to institutions without any references to SHECs. Sometimes, the rules and regulations of the funding bodies prevent them from channeling funds through State Councils since they are mandated to deal directly with institutions. In the case of West Bengal, its State Council has been empowered to distribute limited resources through the West Bengal State Higher Education Council Fund and not as a basis of a state Higher Education Plan.

## Lessons from International Case Studies

### SHECs in case study countries

The governance structure and context of SHECs in China, England, and the United States, differ significantly from India. However, beyond the details of the international case studies, certain fundamental principles emerge as critical to the effectiveness of SHECs and which are likely to be relevant also to India.

The Higher Education Funding Council of England (HEFCE), a non-departmental public intermediary body, functions within a comparatively mature higher education system. It has operated for more than two decades in its current form, having evolved from previous buffer bodies established early in the 20th century. Much effort from HEFCE and other non-public bodies, such as the Committee for University Chairs, has focused on strengthening the governance of the higher education institutions in England. This is an example of the strengthening of institutional autonomy and accountability running parallel to the strengthening of the role of intermediary bodies in the UK, and there is a similar trend in other countries. Bodies such as SHECs in India are also moving in this direction in the expectation that it will clarify the responsibility for defining institutional strategies and overseeing their implementation; for ensuring the effectiveness of institutional systems and for benchmarking institutional performance. A number of other not-for-profit independent bodies in the UK link to, or are independent of, the funding bodies, fulfill a range of other quality assurance, quality enhancement and higher education Information Technology (IT) management services and development functions. All of the functions carried out by several intermediary bodies are key to improving outcomes of teaching and research and overall institutional development. In contrast, in India such functions all come under the umbrella of the SHECs.

The SHECs in China are emerging in a dynamic, rapidly developing system in which the role and functions of the Central government are increasingly being decentralized to the Provinces and Municipalities, as well as to the universities. Chinese higher education, at both the systems and institutional level, has benefited greatly from the tremendous political, economic, social and technological reforms and development in China, since 1978. Over this period, there is a significant shift from a highly centralized system to an increasingly dispersed model. National government

is still the ultimate authority for public institutions, though the current Chinese higher education reform has entered a new stage of comprehensive reform,[3] where the aim is to focus on administrative systems reform, pointing out a need to "transform government education administrative functions," and "improve the contribution from intermediary bodies and other education organizations, in respect of funding, monitoring and higher education industry self-regulation systems."

The SHECs at the state-level in the United States evolved primarily over the last half of the 20th century in response to a demand for more systematic development of higher education systems. The United States is a federal system in which both the federal government and states provide funding for the higher education system. The establishment and functions of SHECs have been influenced over the years by federal requirements that states establish planning commissions as a prerequisite for receiving federal funding. The US, therefore, provides an interesting case of not only the powers, functions and effectiveness of SHECs, but also of the interaction between Central requirements and existing state-level structures, cultures and practices. The US case also illustrates the challenges that states face in sustaining effective SHECs in the face of political pressures, resistance to change from the higher education community, and realities.

> *The task of developing State Higher Education Plans demands expertise in assessing national and regional needs, setting targets, in assessing existing progress, in resource allocation and in challenging assumptions about the adequacy of implementation arrangements.*

The following are observations based on a comparison of key characteristics of effective SHECs in the case study countries and the findings from the Indian case studies.

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3   Conspectus of National Medium and Long-term Education Reform and Development (2010-2020).

## Strategy and Planning

The first task for the SHECs in India is to draw up State Higher Education Plans, in consultation with the institutions and other stakeholders. International experience, from the USA states in particular, suggests that doing that well demands expertise in assessing national and regional needs, setting targets, in assessing existing progress, in resource allocation and in challenging assumptions about the adequacy of implementation arrangements, if the plan is to be more than just a list of aspirations converted into unrealistic spending requests.

*Indian SHECs will need to consider urgently what expertise they have available to them to provide the professional analytical services needed to support effective strategic planning.*

## Monitoring and Evaluation

The international cases underscore the priority of newly established SHECs to work with partners to establish Management Information Systems (MIS). These are needed to provide the essential data for not only the analysis of need for the strategic planning, but also for monitoring progress in delivering the plans and reporting on the performance and impact of the higher education sector. This demands specialist expertise to setup the systems needed for data and statistical analysis over the long term. International experience from both the USA and England shows what significant impact strong, reliable and auditable management information can have, and how it can support all of the functions of an "arm's-length" body.

The SHEC will have a significant task in monitoring the State Plan in its final form. That will require expertise in financial management and monitoring, and in overseeing the arrangements for securing timely delivery of projects, and in achieving value for money from the investments. And, if SHECs undertake funding allocation responsibilities, they will also require experience in developing, monitoring and implementing funding methodologies.

*India might consider the option of phasing in the implementation of quality assurance and academic functions and to investing further in staff with the expertise to carry them out. Another option is to delegate responsibility for some of these functions to an independent body as is typically the case for accreditation (of institutions and programs) and inspection.*

Experience from the USA and England shows the value of setting up small and highly expert teams to support the Council across each of these planning, monitoring and evaluation functions. The leadership of each of those teams is crucially important, not only to ensure proper planning, delivery, implementation and evaluation of services, but also to recruit, select and develop the professional teams that are needed to carry out this work.

## Quality Assurance and Academic Functions

SHECs will also have key roles in quality assurance, research and innovation as well as accreditation reforms. International experience suggests that one option is to phase in their full range of functions, and to invest further in staff with the expertise to carry them out. State governments may also consider whether it is appropriate and/or desirable for such functions to be directly undertaken by the SHECs or, as is the case in many countries, this is a function delegated to a related, but at the same time, independent body – this is typically the case

*The implementation of the RUSA reforms will require investment in expertise at both the state and institutional levels. For example, the development of institutional development plans as foreseen in RUSA are the essential raw material for state plans, and SHECs will need to satisfy themselves that institutions build up their own planning, implementation and monitoring capacities and capabilities, driven by strong leadership and supported by good governance. There is a need for both bottom up and top down planning and implementation considerations.*

for accreditation (of institutions and programs) and inspection, for example.

## Advisory Functions

The higher education entities in the US and England have responsibilities to advise both the government as well as institutions. For example, the state councils in the US advise governments on long-term strategic plans, budget and finance policy, and other critical issues facing the state. At the same time, these state councils have a responsibility to provide guidance to institutions on the development of internal planning and management capacity. Similarly, the Higher Education Funding Council (HEFCE) in England have responsibilities to advise Government as well as to provide guidance and support to institutions on developing effective governance and essential internal planning and management functions.

In the Indian case, establishing new funding arrangements on such a demanding scale as RUSA, requires investment in expertise at the Council level. But it is vital that the necessary expertise also exists at institutional level, especially as those institutions move towards greater autonomy and internal decentralization of functions, and that there are clear systems of accountability established. The development of institutional development plans as foreseen in RUSA are the essential raw material for state plans; and SHECs will need to satisfy themselves that institutions build up their own planning, implementation and monitoring capacities and capabilities, driven by strong leadership and supported by good governance. *Supporting the needs of individual institutions (as identified by their institutional development plans)*

*To have the confidence of state governmental officials and agencies, state councils must have the staff expertise and competence to carry out funding responsibilities. Ensuring objectivity and validity in funding methodologies is a critical responsibility of most state councils.*

with the wider needs of the sector and regional development may also demand both bottom-up and top-down planning and implementation considerations.

## Funding Functions

The international cases make it clear that in order to have the confidence of state governmental officials and agencies, state councils must have the staff expertise and competence to carry out funding responsibilities. Ensuring objectivity and validity in funding methodologies is a critical responsibility of most state councils.

The Indian case studies reveal that none of the existing state councils play a significant role related to funding functions as defined under RUSA. *Even though RUSA sets forth limited, defined responsibilities for the SHECs related to funding, the SHECs' capacity to carry out these responsibilities will be critical to the integrity of the resource allocation process and the ultimate credibility and success of RUSA.*

# Key Attributes of Effective SHECs

In addition to the observations related to the functions, the international cases point to key attributes of effective SHECs that operate with integrity and carry the public's trust.

## Independence

The RUSA Scheme makes it clear that SHECs should be "at an arm's length" from both State and Central Governments. The international case studies underscore a *first essential that all concerned must be clear about how to define that independence*

> *A challenge states face is to get the balance "right" between establishing high-level national strategies and giving "arm's-length" bodies the autonomy necessary to carry out their different functions. Maintaining a delicate balance between public and institutional perspectives is also important.*

*and what that degree of independence will mean in practice.* The US case, for example, illustrates that maintaining an "arms-length-relationship" requires maintaining a delicate balance between public and institutional perspectives. *To be effective, SHECs must have a degree of independence from the state's political leadership and state administrative agencies.* Nevertheless, the SHECs must at the same time be recognized by the state leaders as a trusted source of objective analysis and advice from a public interest perspective. SHECs that are seen as tied too closely to institutional/academic interests often have no credibility with public officials. At the same time, SHECs that are too closely tied to

> *None of the SHECs fully meets good international practice regarding an "arms-length" relationship with state political leadership and state government administrative entities.*

political leaders will not have the trust and credibility to work effectively with universities and colleges. The England and US cases illustrate the inevitable tension between any "arm's length" body and its funding sponsors. These tensions are made more complex in a federal system with funding from two levels. The precise degree of autonomy, and the matching accountabilities, can with advantage be spelt out not only in legislation but also in operational protocols when the Council is established, these will include the importance of processes such as proper consultation with stakeholders when new policies and practices are introduced. *Members of the Council need to be clear about their own role and their personal accountabilities. Staff working for the Council need equally to be clear about their own roles and their own accountabilities.*

Experience from all three of the international country studies shows just how challenging it is to get the balance "right" between establishing high-level national strategies and giving "arm's length" bodies the autonomy necessary to carry out their different functions. China's experience is especially interesting in that the process of gradual decentralization of powers and functions from the central level to provincial and municipal

level as well as to the institutional level is still in transition. The US case illustrates the difficulties in sustaining an appropriate balance in relationships over time and the need for periodic evaluation and adjustments to ensure continuing independence. *Crucially, the more autonomous the institution the more the nature and impact of such relationships hinge on key drivers; such as the level of public funding available or the likely reputational gain or loss. Greater institutional autonomy also results in a need for leadership to transfer from the state to institutions operating in an increasingly competitive market.* It is this competitiveness that invariably drives innovation and improved performance. And this is where striking a balance between institutional gains over public services becomes a challenge for all countries.[4]

The case studies of Indian states suggest that none of the SHECs fully meets good international practices regarding an "arms-length" relationship with state political leadership and state government administrative entities. The SHECs in Gujarat, Maharashtra, Karnataka, Kerala, Tamil Nadu and Uttar Pradesh are headed by either the Minister in-charge of Higher Education or by the Chief Minister. In West Bengal and Andhra Pradesh, the SHECs are headed by academics. In the states where state officials now are in leadership roles, steps may be needed to ensure increased independence as required by RUSA. At the same time, in states where the SHECs are led by academics, changes may be needed to ensure that the SHECs have credibility with state officials as independent entities focused on the public rather than special institutional interests. Furthermore, there is no established process of selecting the chairperson and other members of the SHEC. For example, candidates could be drawn from a pool representing the key categories specified by RUSA and vetted in terms of qualifications to serve. These gaps raise concerns about the manner and

4 'The challenge for governments is to ensure that increasingly autonomous and market-driven institutions respond to public interest agendas, at the national and regional levels, while also taking a greater responsibility for their own financial sustainability. The challenge for institutions is to manage a more complex portfolio of aims and funding; to differentiate themselves in an increasingly competitive environment; and to protect and maintain academic quality and their ability to deliver over the long term' OECD (2004). On the Edge - Securing a Sustainable Future for Higher Education

integrity of appointments and the independence of the SHECs through such appointments.

## Skills and Competences of Professional Staff

New SHECs need a clear set of priorities and a clear plan on how they will deliver them. The staff supporting the Councils need to have the necessary skills, competences and experience to make that delivery possible; and, especially in a complex federal system such as India's, and with a plan as extensive and demanding as RUSA. The importance of professional staff with appropriate job and person specifications is emphasized at several points above, in relationship to each of the functions.

*The staff supporting the Councils need to have the necessary skills, competences and experience to make that delivery possible; and, especially in a complex federal system such as India's, and with a plan as extensive and demanding as RUSA.*

## Internal Management of the SHEC

Experience from the USA and England demonstrates the value of bodies like SHECs having detailed annual management plans for their own activities, so that they have a clear set of development targets for their own work and can consult institutions on and give them timely notice about changes in regulations. The experience equally shows the value of investing in modern program and project management techniques.

*SHECs should have detailed annual management plans for their own activities, so that they have a clear set of development targets for their own work and can consult institutions on and give them timely notice about changes in regulations.*

## Transparency

International experience demonstrates the value of transparency in the way in which "arm's-length" bodies reach decisions, especially on resource

> *An essential prerequisite for an effective SHEC is transparency in the way in which the "arm's-length" entity reaches decisions, especially on resource allocation, extensive consultation with institutions and other stakeholders, and especially in the governance of the SHEC itself.*

allocation, extensive consultation with institutions and other stakeholders, and especially in the governance of the SHECs themselves.

The Indian case studies reveal that information disclosure by most SHECs such as agenda and decisions taken at their meetings is not a common practice. Furthermore, only a few SHECs (e.g., Andhra Pradesh, West Bengal and Kerala) have functional and updated websites, and most others are still struggling to put basic information in the public domain.

## Impact Assessment

For the effective and transparent functioning of SHECs, it is important to do a periodic impact assessment of them in order that an informed decision can be taken on whether the Councils have performed their stated roles and objectives. These assessments have not taken place. As illustrated by the US case, maintaining effective state higher education entities over time requires continuing attention to ensuring independence and the skills and competences necessary to carry out core responsibilities. Developing this capacity will be important for the SHEC's long-term success and impact.

> *SHECs should undertake a periodic assessment of their impact in order that an informed decision can be taken on whether the Councils have performed their stated roles and objectives.*

## Recommendations

Taking into consideration the Indian and international case studies, the Ministry of Human Resource Development and the state governments may wish to pay attention to the following:

❖ State governments should establish SHECs by Legislative Act through which the SHEC's powers, authority, membership (composition and modes of appointment), and relationships to key state governmental entities and institutions are clearly defined. Clarity of roles and responsibilities will be critical to the successful implementation of SHECs and the RUSA reforms as a whole. States should recognize the importance of a sound legal foundation for SHECs to serve the needs of the state from a broader perspective than the specific requirements to be eligible for RUSA funding.

❖ The RUSA Mission Authority should insist that states abide by the core RUSA requirements regarding:

- The "arms-length" relationship to state government.
- Integrity of the membership processes and procedures for both recruitment and selection.

Allowing states to participate in RUSA without meeting a minimum of core requirements will undermine the integrity and long-term impact of the RUSA reforms:

❖ Both the central and state level governments should recognize the need for phased implementation of SHECs:

- Identify the key capacities that must be in place within the first year, second year and subsequent years of implementation.
- Consider assigning some functions such as quality assurance to other independent entities in order to allow the SHECs to concentrate on strategy and planning, and other critical functions in the first years of operation.
- As emphasized above, do not compromise on fundamental requirements regarding "arms-length relationships" and clear roles and responsibilities.

- ❖ **Focus on capacity-development for the professional staff of SHECs** in several critical areas:
  - ▪ **State planning:** capacity to formulate, monitor and evaluate State Higher Education Plans as specified by the RUSA requirement.
  - ▪ **MIS development:** developing the state-level data/information and analytic capacity essential for state planning, monitoring and evaluation.
  - ▪ **Funding/resource allocation, monitoring and evaluation:** carrying out the coordinated/integrated funding requirements of RUSA in relationship to central funding agencies, state government, and institutions.

- ❖ **Invest in professional staff of both existing and newly established SHECs.** This could include:
  - ▪ Professional development workshops/seminars on issues such as those listed above.
  - ▪ Networks among professional staff in specific areas of expertise (e.g., state planning).
  - ▪ Opportunities for professional development/information gathering and sharing visits to learn from national and international experience in the establishment and operation of SHECs.
  - ▪ A national-level association of SHECs as a means for sharing best practices and providing for professional development opportunities for SHEC staffs.

# ANNEXURE I:
## State Higher Education Councils
# in India

The National Policy on Education 1986 recommended that state level planning and coordination of Higher Education would be done through a State Council of higher education. The Council would act as a link between the universities and colleges and the state governments and work closely with the UGC in view of its statutory responsibility for the maintenance and coordination of standards of higher education at the national level.[5] The UGC had in 1988 constituted a Committee to prepare the guidelines for the establishment of such State Councils. It suggested that the Council would consist of 10-13 members of which the chairman would be a full-time position for maximum 5 years and the majority of members would have an academic background, and with representatives from UGC, the Ministry of Education or Higher Education and the Ministry of Finance. The powers and functions of the Council would include planning and coordination, academic and advisory functions, as well as administrative functions such as administering and releasing grant-in-aid from the state government to universities and colleges in the state. As we will see in the following sections, these guidelines were followed very differently in the states that chose to establish SHEC and all of them decided to have significantly more members in the Board and that the Chair would be either the Minister of Higher Education or the Chief Minister.

Following these recommendations, eight states have established SHECs over the years. Seven SHECs (in Andhra Pradesh, Karnataka, Kerala, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal) were established through an Act of the Legislature, while the state of Gujarat established their SHEC through an executive order.[6]

Recognizing the central role that SHECs are to play under RUSA, these eight SHECs are reviewed in the following sections, in terms of the structure, functions, initiatives and results. A research team carried out detailed interviews of all the eight SHECs (both the Council Secretariat and individual Council members) as well as the higher education stakeholders that the Council is interacting with (e.g. Vice-Chancellors, Principals, Members of the Senate, key Functionaries at the Department of Higher Education, etc.). The review covered the following questions:

- ❖ What are the characteristics of the existing Councils (legal status, powers, size, membership, etc.)?

- ❖ What are the main functions of the SHEC in interaction with the state government and the higher education institutions?

- ❖ What are the key initiatives taken by the SHEC and what results were obtained?

The following sections give an overview of the structure, functions, initiatives and results of the eight SHECs. More details

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5  UGC (1988). Report of the Committee on Setting up State Council of Higher Education.

6  Different states used various names for their body performing the role of a state higher education council.

can furthermore be found in the Annexure, on the structure, member qualification as well as powers and responsibilities of the eight SHECs.

# Andhra Pradesh

## Structure

The Andhra Pradesh State Council for Higher Education (APSCHE[7]) is the oldest SHEC and was established in 1986-87, through an Act of the state legislature, as a direct result of the recommendations of the National Education Policy. The Council consists of fourteen members. Eminent academics are appointed by the state as Chairman and Vice Chairman. There are four ex-officio members of the council representing state and central departments and bodies. The government appoints eight other members from amongst eminent educationists, industry representatives and technical experts (detailed composition, powers and functions are appended in the attached Annexure I). The Chairman and Vice-Chairman are the main functionaries engaged in the daily management of the Council. They are hired full-time and receive a salary. The Council benefits from its permanent secretarial staff, as it maintains the institutional memory, and from the experience of the Chairman and Vice Chairman in the state university system.

In practice, the Chairman and Vice-Chairman of APSCHE have been academics, which is specified in the Act as from among eminent educationists, though the Act does not describe a process of appointment leaving it to the government. Likewise, all other ex-officio members (officials representing various government departments) and other members (representatives from academia, industry and technical experts) are appointees of the government. The power to remove them (except ex-officio) also rests with the government. Furthermore, the relationship and division of responsibilities between the state government and the Council is not elaborated in the Act, neither are the parameters for monitoring the performance of the Council.

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7   More information on APSCHE can be found on
     http://www.apsche.org/

## Functions

The APSCHE is acting as the regulator of all the private affiliated colleges (including engineering colleges and polytechnic colleges) besides all affiliating state public university systems. The state universities and colleges as well as the private universities are under the jurisdiction of State Higher Education Department. The Act provides for a wide range of planning, monitoring and academic functions for the Council, including the creation of a Higher Education Perspective Plan for the state, setting out principles for creation of new institutions, raising additional resources for the higher education sector, curricular development, teacher training etc. However, it does not confer any financial powers on the Council. While the Council has been bestowed with planning and coordination, academic and advisory functions, the Council's performance is closely scrutinized by the government.

In reality however, most of the functions such as planning for the higher education sector are undertaken by the government instead of the Council. Currently, the Council largely has an advisory role in determining the amount of block grants to be disbursed and supporting new institutions, even if the Council according to its Act is supposed to have strategic planning functions as well.

The Council can, however, liaise between the government and institutions in some matters. For instance, till 2004, it did not interact between the state and institutions on financial matters. However, in 2004, the Council felt it necessary to pay attention to the constant complaint of institutions regarding the insufficiency of block grants given by the government and set up a High Powered Committee to ascertain their needs. The Council successfully lobbied with the state to get a substantial increase of almost 80% in the block grants to the institutions.

## Initiatives and Results

The Council is engaged in a large range of activities. The Council's role includes conducting common admission tests for undergraduate and graduate admissions, forming oversight committees on

affiliation by sending inspection teams to colleges, creating common statutes and ordinances for all types of universities, and standardizing regulations and developing guidelines for PhDs. The Council also plans to develop mechanisms for greater financial transparency in universities and colleges and to link financial incentives to academic performance. As part of its future priorities, it seeks to increase block grants for institutions further and to address the shortage of faculty that is plaguing many institutions in the state. Most of these initiatives are essentially stand-alone activities prompted by urgent problems that needed to be addressed; they are rarely part of a coherent and long-term approach towards improving the higher education system in the state.

# Gujarat

## Structure

Gujarat has a body for coordination and quality improvement initiatives in higher education entitled the Gujarat Knowledge Consortium.[8] Though not similar to the State Higher Education Councils in other states in terms of legal structure and functions, the Gujarat Knowledge Consortium is the main body apart from the State Higher Education Department that is involved in all higher education activities.

The Knowledge Consortium has been established by the Higher Education Department through an Executive Order as a body that mainly takes steps to advance higher education in the state. The Advisory Committee is a 49 member body consisting of representatives from Universities, expert members from education and reputed national institutions of Gujarat. The Consortium is headed by the Minister of Education (Chairman) and the Vice Chairman (Advisor to Minister of Education). The Consortium also has representation of the Vice Chancellors of 22 universities, Heads of Specialized Universities, Institutes of National Importance and research institutions (located in Gujarat). It also includes representation from the industry through Presidents of seven industrial/commercial associations from the state.

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8    More information on the Gujarat Knowledge Consortium can be found on http://kcg.gujarat.gov.in

The Consortium is a loosely structured organization with a wide range of representation but very few post-holders with clear responsibilities. The large and unwieldy structure raises questions about the effectiveness of the decision-making and implementation processes adopted by this body. It is also not clear on the number of meetings the Advisory Committee has had since its inception, as both the agenda and minutes of the meetings are not in public domain.

## Functions

The Knowledge Consortium lays out five main areas of its activities, namely:

❖  **Education:** pushing academic reforms such as implementation of semester system, choice-based credit system, grading and continuous comprehensive evaluation.

❖  **Research and Innovation:** promotion of research through programs such as training faculty in proposal writing, networking among research institutions, reforming libraries, publishing print and e-journals etc.

❖  **Extension:** Increasing the use of information technology in institutions, programs to increase employability of students through industry partnerships etc.

❖  **Quality Assurance:** Helping institutions conduct Academic and Administrative Audit (AAA) and promoting NAAC accreditation.

❖  **Training & Capability-Building:** Conducting capacity-building training courses for administrative and teaching staff at the higher education institutions.

## Initiatives and Results

The Consortium has adopted the Mission Mode Implementation (MMI) program for ensuring that all the initiatives are well developed, planned, implemented and monitored. MMI follows an interesting implementation structure; the smallest units are the 1032 colleges in the state, which are

combined into 286 clusters. The clusters form 57 higher education districts, which again are clubbed into 5 zones. The planning and implementation of activities, information collection and decimation is done using this structure.

The Knowledge Consortium mentions on its website a wide range of activities with a fair degree of structure in terms of rationale, strategies and plans of implementation:

- ❖ Choice Based Credit System for universities and colleges.

- ❖ Information & Communication Technology Project to promote e-content development.

- ❖ Knowledge Management Programme for Faculty to enhance the Quality of Faculty.

- ❖ **UDISHA:** Increase employability through suitable training, increase placement opportunities for students and help bridge the skill gap in the job market.

- ❖ SANDHAN (Broadcast of lectures by experts from across the state on specified topics, which will be viewed live by students) – to leverage the use of and widen ICT and its access in Education.

- ❖ **Saptdhara:** Holistic development of faculty and students by nurturing their talents.

- ❖ **UGC Schemes:** To create awareness among colleges and faculties about the range of provisions that fall under UGC Schemes for promoting quality in education and research.

Based on the findings of the interviews with multiple stakeholders, it was found that the Knowledge Consortium is merely a body to perform certain activities which ideally should be performed by either the State HE department or by the institutions themselves. There seems to be a clear lack of clarity and understanding of the role that is expected of the Consortium. Therefore, there is a strong case for Gujarat Knowledge Consortium to revisit some of its aims and objectives which are at variance with the proposed objectives of the State HE Council.

Furthermore, the timelines for achieving the anticipated results is not mentioned, neither is an account of the activities of the Consortium available publicly. There is thus little indication whether the above initiatives actually have been or are about to be implemented.

# Karnataka

## Structure

The Government of Karnataka established the Karnataka State Higher Education Council[9] on 15th July 2009 through an Executive Order. The State Council is constituted by the state government which consists of 14 ex-officio members, all Vice Chancellors of State Universities, 10 academicians of repute as members, besides an Executive Director as the Member Secretary and an eminent educationist as Vice Chairman and the Minister in-charge of Higher Education as Chairman.

The Executive Order was subsequently converted into an Act that came into effect from August 2010. The Act had three principle functionaries – the Chairman, Vice-Chairman and Executive Director apart from other members.[10] The procedure regarding these appointments has not been specified in the Act. The Executive Director of the Council should be a serving or retired administrative officer, also appointed by the state government. The Executive Director is in charge of coordinating the functions of the Council and has supporting staff. A smaller executive committee consisting of ten members is empowered to take decisions and deal with administrative matters, subject to ratification by the Council. The remaining members are not closely involved in the daily functioning of the Council. As per the Act, the Council will meet as often as understood necessary. But it has to definitely meet twice a year.

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9 More information on the Karnataka State Higher Education Council can be found on http://kshec.ac.in

10 Detailed composition is appended in the Annexure.

## Functions

The broad objectives of the Council are:

- ❖ Promoting academic excellence and social justice by obtaining academic inputs for policy formulation and perspective planning.

- ❖ Ensuring the autonomy and accountability of all higher education institutions of higher education in the state as well as coordination between them.

- ❖ Guiding harmonious growth of higher education in accordance with the socio-economic requirements of the state.

The Act provides for a wide range of functions for the Council, including planning for the sector, taking steps for improvement of quality of higher education in the state and any other functions as may be deemed necessary by the state. The Act gives the Council power to advise the state government on fund allocation to institutions and develop guidelines for the same. The Council does, however, not have any financial allocation powers to the institutions. The Act is structured such that it leaves a large scope for the Council to take initiatives, yet it does not clearly identify any key deliverables, guidelines for its performance assessment or separate the functions which should be taken by the state and which by the Council.

## Initiatives and Results

In a little over the last four years of its existence, the Council has engaged in a number of activities such as a proposal for creating a new state university by including some areas under the jurisdiction of Bangalore University, conducting national and state level seminars on higher education, curriculum development, seminars and conferences on key areas of higher education etc. The Council has given its opinion on acceptance of statutes and regulations of the universities referred to it by the government, submitted preliminary reports in proposals for establishment of private universities, and recommended a draft proposal for establishing a faculty training academy.

The Council has also been actively engaged in dissemination of information related to its activities through publication of newsletters and a user-friendly website which is also periodically updated. The Council has held meetings at least twice a year and has also produced three annual reports. These annual reports highlight the key discussions in meetings of the Councils, decisions arrived and actions taken.

The Council has created a Vision 2020 document in order to guide its future activities. The vision document is a road map for the State Council as to what it should ideally be undertaking in the next 10 years. However, the corresponding actions taken by the Council and/or the State Higher Education Department are not completely clear.

## Kerala

### Structure

The first attempt to constitute a State Council of Higher Education in Kerala was made in 2000, when a Council was set up through an Executive Order. In 2003, a Chapter on State Council of Higher Education was included in the Unified Universities Bill presented in the State Assembly. But the Bill was not enacted. The government organized a one-day workshop in 2005, involving vice-chancellors, academics and administrators. On the basis of the discussions held at the workshop, a draft Ordinance was prepared. The draft Ordinance was later replaced by a draft Bill. But this Bill was also not enacted. The issue was again taken up in 2006, by setting up a Higher Education Commission under the chairmanship of Dr. K.N. Panikkar for making recommendations to the government for constituting a Higher Education Council.

On the basis of the recommendations submitted by the Commission, the Kerala State Higher Education Council Ordinance 2006 was promulgated and the Council was set up on 16th March 2007. The Ordinance was later replaced by the Kerala State Higher Education Council Act 2007 (Act 22 of 2007)[11] with no changes whatsoever.

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11 More information on the Kerala State Higher Education Council is available on the following web-site http://www.kshec.kerala.gov.in/

The Council has three distinct bodies:

- ❖ **Advisory Council** – an umbrella body which meets once a year and seeks to be highly democratic in nature through its composition. It has thirty-three members, headed by the Chief Minister of the state. It includes nominees of state government from various academic and social fields.

- ❖ **Governing Council:** an intermediate body with the responsibility of taking major policy decisions. It is headed by the Minister for Higher Education and consists of twenty-one members (eight ex-officio and others nominated by the government, as well as the Vice Chancellors of all institutions in the state.

- ❖ **Executive Council:** the smallest body of the three – is mandated to take care of the day-to-day functions after taking the concurrence of the Governing Council on all matters which has policy implications. It is headed by a Vice Chairman, an eminent educationist (preferably a former Vice Chancellor) appointed by the state government. The other members include one nominated by the state government, Vice Chancellor, five educationists appointed by the state and the Secretary, Higher Education Department.

The first two bodies have many members and provide for a lot of representation from various stakeholders. However, this tends to make them slow and inefficient decision-making bodies that lack focus and unity of purpose. The State Council is not insulated from the interference of political executive or the bureaucracy, the lack of a mechanism to make apolitical appointments can hamper the functioning of the Council.

In practice, the Executive Council and the Vice Chairman are the chief actors in the State Council, as they work full-time for the Council throughout their tenure. In practice, the Vice Chairman and the Member Secretary are the chief actors in the State Council who are also members of the

Executive Council. The State Council is appointed for a period of four years. All the three Councils are reconstituted every three years, including the Executive Council and the Secretariat that looks after the daily administration of the Council. This break in the tenure of all appointees limits the institutional memory of the Council and disrupts the continuity and direction of its activities.

## Functions

The broad aim of the Council is to bring about synergetic relationships amongst government, academia, public intellectuals and people representatives by occupying an operational space between government and universities, and government and apex regulatory bodies to pursue the following objectives:

- ❖ Provide academic input to the government and to the Universities, research institutions and other centers of higher education in the state for the formulation and implementation of the policies on higher education and evolve a perspective plan for the development of higher education.

- ❖ Undertake human resources development planning for the state and plan the growth and development of higher education in accordance with such planning.

- ❖ Review existing guidelines and furnish recommendations for regulating admissions to various courses and for appointments to the posts of teachers and teacher-administrators in Universities, colleges and other institutions of higher education.

- ❖ Evolve general guidelines for the release of grants by the government to Universities and other institutions of higher education and to advise the government about the release of such grants to each university and other institutions of higher education.

- ❖ Review periodically the Statutes, Ordinances and Regulations of the Universities in the state and suggest appropriate improvements for the realization of the

objectives of social justice and academic excellence in education, and suggest the framework for new Statutes, Ordinances, or Regulations for existing universities or other institutions of higher education or new universities or other institutions of higher education.

According to the Act, the State Council has a legal framework that enables it to take a broad range of activities.

## Initiatives and Results

The functioning of Kerala State Council for Higher Education over the last six years has demonstrated that it has been proactive in addressing some of the important challenges facing higher education in the state. The State Council has appointed several committees to carry forward the task of bringing about large-scale changes to the state higher education sector. It has brought out several reports namely: *'Report on Kerala State Higher Education Policy', 'Report on Kerala State Assessment and Accreditation Council', 'Report on Industry and Academia Linkages',* which all have been submitted to the government for necessary policy intervention which is the prerogative of the government. In addition its report on *'Choice-based Credit and Semester System', 'Report on Autonomy of Colleges in Kerala'* and *'Report on State Faculty Training Academy'* have been submitted, approved by the government and action is now being taken to implement the recommendations of committees. In addition, two significant reports reviewing the University Acts and creation of cluster colleges have been drafted.

While it is noteworthy to see the substantial achievements made by the State Council in a short period of six years – which has been possible due to the active support, cooperation and responsiveness of the state government, the Council still lacks to apply all the powers conferred upon it as it is unclear to which extent the Council's recommendations are being followed up and eventually implemented.

# Maharashtra

## Structure

The Maharashtra State Council for Higher Education was set up as a sequel to the Maharashtra University Act 1994. The State Council was created to be largely an advisory body. The composition and powers and functions of the State Council are detailed in the attached Annexure. The Council suffers from structural deficiencies due to the fact that it is largely composed of the political leadership and bureaucracy in higher education, with little representation for academics. Despite an explicit requirement of meeting at least twice a year, as per the Maharashtra University Act 1994,[12] the Council for Higher Education has not had a single meeting since its formation, making it to be a dysfunctional body.[13]

In 2010, the Government of Maharashtra with a view to carrying forward the governance reforms initiated in 2008 by the then Governor of Maharashtra, decided to set up a committee to restructure and revitalize higher education in Maharashtra. Consequently, a committee under the chairmanship of Dr. Anil Kakodkar was set up. One of the key recommendations of the committee was to set up a State Commission for Higher Education and Development (which in effect seeks to replace the existing State Council). The committees report justifying the formation of such a body, states, *"Maharashtra Higher Education and Development (MAHED) Agency shall be the body that would create a synergy between various stakeholders namely the state government, public and private universities, private skill education providers and industries. MAHED would be reporting its activities and outcomes to its apex advisory cum supervisory council and would draw upon expert advice given by the academic and development council."*

The new agency that is proposed to be set up replacing the old one – (though no decision has been taken yet) – seems to be a better structure with well-defined powers and functions, since

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12 Maharashtra University Act 1994, page 63, clause-5.

13 Kumar, Venkatesh B (2010). Implementation of the Maharashtra Universities Act. Economic & Political Weekly October 23, 2010 vol xlv no 43.

it addresses larger questions of planning, monitoring, quality control and coordination of higher education at the state level, which is absent in the existing State Council.

## Functions

The following functions and powers were foreseen in the Act:

### *Planning and Coordination*

❖ Prepare programs in the various subjects in the sphere of higher education, keeping in view the overall priorities, perspective and needs of the society, and expectations from higher education.

❖ Consider and approve the developmental program of the universities.

### *Advisory Functions*

❖ Advise the state government in respect of determining and maintaining uniformity of standards of education in the universities.

❖ Recommend to the state government and to the universities the steps that may be taken to remove the regional imbalance, and to make higher education available to backward classes, rural and tribal communities, women and any such specified groups.

❖ Advise on promoting co-operating and coordination of the various educational institutions among themselves and explore the scope for interaction between the universities on the one hand and industry and other organizations on the other hand.

❖ Suggest ways and means of raising additional resources for higher education from industry and other sources.

## Initiatives and Results

The State Council has not had a single meeting since the Act was passed. Recently however there are discussions about reviving the Council, given the opportunities that RUSA is providing.

# Tamil Nadu

## Structure

The Government of Tamil Nadu decided to establish a State Council for Higher Education[14] and it came to being through an Act in 1992. The State Council is headed by the Minister of Education and is composed of several representatives from the government as well as university Vice Chancellors and academics – all appointed-by the government. The current membership composition of the Council accords a greater representation to the state government bureaucrats than representatives from academia. In order to have a constant and better continuing interaction between the State Council and the Vice Chancellors, an Advisory Board of Vice Chancellors evolved (there is no mention in the act to create a forum for Vice Chancellors to give informed inputs to the state council) was established in 1993, which can make suggestions and recommendations to the Council for its consideration. The criteria applied for the appointments and removal of State Council members are at the discretion of the state government and do not seem to be completely transparent in the Act.

## Functions

The Act bestows a wide range of powers on the Council. Among the important functions of State Council for Higher Education are developing higher education plans in the state, formulating norms for starting new higher education institutions, suggesting ways to augment additional resources for the sector, making suggestions to the government for determining block grants to the universities, examining statutes, ordinances and regulations of the universities etc.

There are certain critical gaps in the functioning of the Council; it has no established mechanisms for interaction with the central regulatory bodies such as the University Grants Commission. In practice, the Council also has a limited role in

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14 More information on the Tamil Nadu State Council for Higher Education can be found on the following web-site http://www.tnuniv.ac.in/

planning for higher education in the state. Apart from disbursement of research grants received from national and international agencies, the Act does not confer any significant financial powers on the Council. The Council operates on a very limited administrative budget and has very few means of influencing institutions through financial incentives. In the past, the Council has not adopted consultative methods to engage with stakeholders while formulating policies or making decisions. This has hampered its ability to implement certain reforms such as splitting Anna University into six universities, a decision that had to be reversed later due to lack of acceptance.

## Initiatives and Results

The State Council has taken steps to bring about transformation in the higher education sector by implementing programs of academic excellence, manpower planning as well as allocating block grants to universities, and the future plans of the State Council seems encouraging. These include encouraging universities and autonomous colleges to evolve a uniform structure for various courses, more institutions to get accredited, colleges to apply for autonomy and assisting them in obtaining autonomous status and setting up of community colleges with a view to strengthening skill based education in the state.

The State Council has in recent times undertaken a number of activities. These include coordination for uniform fees structure across various universities, setting up of committees on various issues and sharing the findings of the committee reports with the Vice Chancellors (however, these ideas needs to be institutionalized), and a number of capacity-building training programs for administrative staff, including registrars and faculty.

It has been observed that though the existing Council has reasonable powers to bring about significant changes in the higher education landscape of the state, the past and existing State Council have not been able to fully utilize the powers that have been bestowed on them.

# Uttar Pradesh

## Structure

UP State Council for Higher Education was created by an Act of the State Legislature in 1995. The Chairman is nominated by the state government and has to be of the rank of a Vice Chancellor or Additional Secretary to Government of India, no other qualification or procedures of selection are mentioned in the Act. The Council is comprised of four ex-officio members representing other state government departments, three Vice Chancellors; one Principal as well as one representative each, from the fields of education, law and industry are part of the Council, and one eminent industrialist. The appointments are made by the state government and the criteria used to appoint members are not specified in a transparent way. A team of secretarial staff assists the Council. As of 2007 the Council has been defunct as no appointments have been made by the state to the Council.

## Functions

According to the Act the Council has the following key functions:

### Planning and Coordination

❖ Prepare perspective plans for development of higher education in the state.

❖ Submit to the state government, if so required by it, the development programs of universities and colleges, along with its comments and recommendations.

❖ Promote co-operation of institutions of higher education amongst themselves and explore the scope for interaction with industry and other related establishment.

❖ Formulate norms and principles for starting new colleges and additional subjects and departments in the existing colleges in accordance with the guidelines issued by the state government and the University Grants Commission.

### Academic Functions

- ❖ Encourage innovations in curriculum development, restructuring and updating of syllabi in universities and colleges.

- ❖ Devise methods and steps to improve the standards of examinations conducted by the universities and autonomous colleges and to suggest necessary reforms.

- ❖ Facilitate training of teachers in universities and colleges and to oversee the functioning of the academic staff colleges through coordination, and to encourage publication of quality text books, monographs and reference books etc.

- ❖ Develop programs for effective academic co-operation and interaction between the faculties in the universities and colleges, and to facilitate mobility of teachers and students in and outside the state.

## Initiatives and Results

Since its inception until 2007 the State Council was a functional body and undertook activities in keeping with its mandate of maintaining and promoting the quality of institutions. Besides organizing workshops, seminars and conferences for the benefit of colleges and universities for enhancement of quality, it has been involved in providing grants for setting up and monitoring the activities of Internal Quality Assurance Cells in institutions. It has also been encouraging more institutions to undergo accreditation by NAAC through workshops. The Council provided minor research grants and worked towards the development of centers of excellence in various institutions.

The State Council has, however, hardly met since 2007, making it largely a dysfunctional body. An analysis of the functioning of the Council since its existence brings to fore the critical point that it is not an independent body. There is a significant degree of political interference in the appointment or not of the Council members as well as heavy dependence on the state bureaucracy which is also reflected in its composition. The Act does not clarify the functions of the Council separately from the functions of the State Higher Education Department.

However, in April 2014 the Department of Higher Education through a government notification has reconstituted the State Higher Education Council in UP with the appointment of an academic as Chairman and three others as members. This is likely to be a significant step in reviving the State Council for Higher Education after long years of being defunct.

# West Bengal

## Structure

West Bengal State Council for Higher Education[15] was established on 29th July 1994 by an Act of West Bengal State Legislature and started to function since April 1995.

The government of West Bengal took a step to give more independence to the State Council by bringing about a change in 2007 in its composition by an amendment to the Act, through which the Chairman of the State Council ceases to be the minister in-charge of higher education. The purpose was to make it a more independent and autonomous body with additional powers and functions. The Chair and Vice-Chair of the Council are academics and the rest of the Council is composed of the Secretary of Higher Education, The Principal Secretary of the Finance Department, 19 Vice-Chancellors, 6 eminent academics, 3 senior civil servants, 1 from industry and 1 Principal. With the relatively large number of members there is a risk that the Council is not an efficient decision-making body.

## Functions

The statutory mandate of the State Council is:

- a. To oversee the academic standards of the state-aided and administered institutions.

- b. To maintain quality of teaching, examination and research.

15 For more information about the West Bengal State Council for Higher Education please consult the following web-site http://www.wbsche.ac.in

c. To channelize higher education in desirable direction on the socio-economic needs of West Bengal.

d. To strengthen the planning and coordination of higher education programs with the state government, including with other academic regulators and administrators of the country.

## Initiatives and Results

In the almost two decades of its existence, the State Council has made some significant achievements. These are:

❖ Supporting the establishment of new state-aided universities and colleges, private universities and colleges, as well as other such institutions of higher learning e.g. by facilitating access to additional resources and UGC's development programs.

❖ It has been involved in the preparation of drafting the University Act and it advised the universities in drafting new statutes.

❖ It has examined pending or unattended higher education reforms and taken a proactive role in recommending the implementation of these reforms to the competent agency.

❖ Held periodic meetings of institutional heads, brought about implementation of academic audit and created a state university network for better coordination and co-operation amongst state universities.

Some recent initiatives taken by the State Council include bringing about uniformity in academic calendar, syllabi, introduction of four-year graduation courses, implementation of choice-based credit system, promoting linkages among higher education institutions and industry, setting up of finishing schools in all district headquarters, introduction of academic and administrative audit in the institutions of higher learning, and providing facilities for creating centers of excellence in frontier research areas.

During the two decades of its functioning, the West Bengal State Council of Higher Education has demonstrated that it has been relatively efficient in supporting higher education reforms. It has a good mixture of academic and senior functionaries and it is headed by eminent academic and professional experts. The Council has had periodic meetings and the decisions mentioned above demonstrate that it has to a large extent fulfilled the purpose of its establishment. Furthermore, the State Council has been trusted with some financial empowerments provided by the government. The creation of a West Bengal State Council of Higher Education Fund, which consists of grants from the government, grants received from the central government for higher education and such other funds received by the Council from other sources, helps in both channeling resources and also for better monitoring of the resources spent. The State Council has also been empowered to allocate grants to different universities and colleges. Furthermore, the State Council was appointed by the National Board of Accreditation (NBA) to be the nodal center for West Bengal, Bihar and North-Eastern states for mandatory accreditation of higher educational institutions offering professional courses.

# Summary of State Councils for Higher Education in Eight Indian States

| Structure | Qualification | Powers & Responsibilities |
|---|---|---|
| **ANDHRA PRADESH** | | |
| **Full time members**<br>▪ Chairman<br>▪ Vice Chairman | Eminent educationists appointed by government for a period of three years and shall be eligible for re-appointment for a second term, provided such an appointee has not attained the age of sixty-five. | *Planning*<br>▪ State plans – short- and long-term<br>▪ Implementation of plans<br>▪ Monitoring of plans<br>▪ Coordination amongst state institutions for curriculum quality and updating<br><br>*Academic*<br>▪ Quality of examinations<br>▪ Facilitate teacher training<br>▪ Promote sports and extracurricular activities<br>▪ Send reports on universities to UGC |
| **Ex-officio members**<br>▪ The Secretary to Government, Education Department<br>▪ The Secretary to Government, Finance Department<br>▪ The Secretary to Government, Labor, Employment and Technical Department<br>▪ The Secretary or any other office of the University Grants Commission not below the rank of a Joint Secretary nominated by the Chairman, University Grants Commission | Appointed by the government for a period of three years and shall be eligible for re-appointment for a second term, provided such an appointee has not attained the age of sixty-five | *Advisory*<br>▪ On the basis and quantum of block maintenance grants<br>▪ Promoting research, setting up Research Board<br>▪ On statutes and ordinances passed by universities<br>▪ On setting up new institutions |
| **Other Members**<br>▪ Four persons to be appointed by the government<br>▪ One person appointed by the government<br>▪ Three persons nominated by the state government | ▪ Eminent educationists<br>▪ Industry representative<br>▪ 1 Technical expert<br>▪ 2 Other members<br>▪ appointed for a period of three years and shall be eligible for re-appointment for a second term, provided such an appointee has not attained the age of sixty-five | |
| **GUJARAT KNOWLEDGE CONSORTIUM** | | |
| ▪ Chairman<br>▪ Vice -Chairman<br>▪ Co-Vice Chairman<br>▪ Member Secretary<br>▪ All Vice-Chancellors of Universities in Gujarat (22 as of Nov. 2013)<br>▪ Expert members from industries (7 as of Nov. 2013)<br>▪ Expert members from the field of education (21 as of Nov. 2013) | ▪ Minister of Education<br>▪ Advisor for Education to Honourable. Chief Minister<br>▪ Principal Secretary Education Department<br>▪ Commissioner Higher Education, Gandhinagar | Provide a robust platform for the extensive sharing and dissemination of knowledge across all stakeholders of education in general and higher education in particular:<br>▪ Introduce initiatives to increase access and equity of higher education in the state and facilitate academic reforms in various spheres such as:<br>    ❖ Curricular aspects |

| Structure | Qualification | Powers & Responsibilities |
|---|---|---|
| • Members from reputed national institutions of Gujarat (5 as of Nov. 2013)<br>• Other members (Directors, Provosts and Vice-Chancellors of institutions in Gujarat, 11 as of Nov. 2013) | | • Capacity-building of teachers and principals through training<br>• Teaching and learning: by introducing educational technology-enabled innovative teaching, learning, research and extension activities<br>• Evaluation reforms by introducing comprehensive continuous credit and grades based assessment<br>• Increasing employability of students<br>• Accountable governance delivery systems in higher education<br><br>• Connect all universities, colleges, research institutions and libraries of the state with national and international knowledge networks<br>• Facilitate interface among research scholars and faculties in the state and with visiting international academicians, particularly Non Resident Indians by arranging their visits to the universities/ Departments/colleges working in their area of specialization and also by arranging their lectures through SANDHAN initiative<br>• Facilitate active collaboration among centers of excellence in the state with their counterparts in the country and beyond<br>• Bridge the divide – linguistic, knowledge and digital – and also to promote capacity-building of the existing, faculties by equipping and honing their basic skills of English and Computers for better knowledge management<br>• Preservation and promotion of Indian knowledge systems and knowledge manuscripts and act as the nodal agency for the National/Regional Knowledge initiatives<br>• Act as the hub for translation of knowledge texts and prepare a repository of existing translations and translators<br>• Act as a Resource Centre by preparing the data base of students/ research scholars/teachers and their publications and support surveys, studies, projects to realize the objectives of the Knowledge Consortium of Gujarat |

| Structure | Qualification | Powers & Responsibilities |
|---|---|---|
| | | - Promote cutting-edge research and creation of knowledge – innovation and patenting by facilitating networking of individuals/ Institutions/agencies engaged in the above processes in accordance with Intellectual Property Rights. |
| **KARNATAKA** | | |
| - Chairman<br>- Vice-Chairman<br>- Member Secretary<br>- 16 eminent educationists as nominated members<br>- 17 Vice-Chancellors of the state universities<br>- Secretary of Higher Education<br>- Secretary of Medical Education<br>- Secretary of Finance<br>- Secretary of Law<br>- Secretary of Parliamentary affairs<br>- Chief Minister's Adviser on Education<br><br>**Executive Committee**<br>- Vice-Chairman of the Council is its Chairman<br>- The Executive Director is the Member Secretary<br>- 2 Vice-Chancellors of the Council nominated by rotation by the Council<br>- 4 of the 10 eminent educationists of the Council nominated by rotation by the Council as members<br>- The Principal Secretaries to the Govt. Higher Education Dept., Medical Education Dept. are its Ex-officio members | - Minister of Education<br>- Eminent educationist who is or has been the Vice-Chancellor of a university or member of any apex body of higher education nominated by the govt.<br>- Eminent educationist | - Promoting academic excellence and social justice by obtaining academic inputs for policy formulation and perspective planning<br>- Ensuring autonomy and better accountability of all institutions of higher education in the state<br>- Guiding the growth of higher education in accordance with the socio-economic requirement of the state<br>- Decisions on policy matters on behalf of the Council subject to the concurrence of the Council, it is also the responsibility the committee to deal with certain administrative matters and also preparing the Annual Academic Financial Audit report |
| **KERALA** | | |
| - Patron<br>- Visitor<br>- Chairman<br>- Vice- Chairman | | - Coordinate the roles of the government, universities and apex regulatory agencies<br>- Make State HE plans<br>- Provide inputs to academic and research institutes on making and implementing plans<br>- Undertake independent research for the generation of new ideas for the promotion of social justice and academic excellence in higher education |

| Structure | Qualification | Powers & Responsibilities |
|---|---|---|
| **Advisory Council**<br>• 33 members | • Political representatives such as Chief Minister, Education Minister, Representatives of Members of Parliament, Members of *Panchayats*, Municipalities and eminent personalities | • Improving the existing and creating new rules/statutes<br>• Develop human resources in education<br>• Develop linkages between HE institutions and other govt. agencies<br>• Changes in curriculum<br>• Evolve general guidelines for the release of grants by the government to universities and other institutions of higher education |
| **Governing Council**<br>• 35 members chaired by Minister for Education | • All Vice Chancellors of State Universities<br>• Educationalists (with reservation for SC/ST and woman)<br>• Elected representatives of the Academic Councils of state universities<br>• Nominated student union representatives (with reservation for women)<br>• Officials of the state (not below Secretaries and Directors) | • To provide common facilities for the entire state by establishing centers, namely:<br>- Centre for Research on Policies in Higher Education<br>- Curriculum Development Centre<br>- Centre for Capacity-Building in respect of faculty and educational administrators<br>- State Council for Assessment of Higher Education Institutions<br>- Examination Reforms Cell |
| **Executive Council**<br>• 9 members chaired by Vice-Chairman of Council | • One full time member secretary. Five part-time members<br>• One Vice-Chancellor<br>• Secretary, Higher Education | - Human Resources Development, Employment and Global Skills Development Cell<br>• Coordinate between various state institutions and councils |
| <div align="center">**MAHARASHTRA**</div> | | |
| • Chairman<br>• Vice-Chairman<br><br>Other members (with a term of years)<br>• 32 other members<br>• Vice-Chancellors of all statutory universities, except the agricultural university | • Chief Minister<br>• Minister for Higher Education<br>• Minister for Medical Education<br>• Minister for Sports<br>• Minister of State for Higher Education<br>• Minister of State for Medical Education<br>• Four Members of Legislative Assembly nominated by the Speaker of the Maharashtra Legislative Assembly.<br>• Two Members of the Legislative Council nominated by the Chairman of the Maharashtra Legislative Council | *Planning and coordination*<br>• Prepare programs in the various subjects in the sphere of higher education, keeping in view the overall priorities, perspective and needs of the society and expectations from higher education<br>• Consider and approve the developmental program of the universities<br>• Initiate inter-university program for various activities related to teaching, research and extension in the field of higher education<br>• Take steps and recommend to the state government and to the universities the steps that may be taken to remove the regional imbalance, and to make higher education available to backward classes, rural and tribal communities, women and any such specified groups. |

| Structure | Qualification | Powers & Responsibilities |
|---|---|---|
| | - Ten eminent educationists or educational administrators nominated by the Chancellor, of which two shall be the representatives of the Management<br>- Two principals from amongst the office-bearers or the members of the Executive Committee of state level representative body of principals nominated by the Chancellor<br>- Two teachers from amongst the office bearers or the members of the Executive Committee of state level representative body of teachers, nominated by the Chancellor<br>- The Vice-Chancellor of all the statutory universities other than Agricultural Universities in the state<br>- The Secretary, Higher and Technical Education<br>- The Secretary, Medical Education<br>- The Secretary, Planning<br>- The Secretary, Finance<br>- The Secretary, Sports<br>- Director of Technical Education Maharashtra State<br>- Director of Medical Education Maharashtra State<br>- Director of Education (Higher Education), Maharashtra State | *Advisory functions*<br>- Advise the state government in respect of determining and maintaining uniformity of standards of education in the universities<br>- Advise on promoting co-operating and coordination of the various educational institutions among themselves and explore the scope for interaction between the universities on the one hand, and industry and other organizations on the other hand<br>- Suggest ways and means of raising additional resources for higher education from industry and other sources<br>- Advise on inter-university programs for various activities undertaken by the universities in fulfilment of the provisions of the Act<br>- Advise on programs for greater co-operation and interaction and exchange of university teachers, college teachers and the teachers of university departments |
| **TAMIL NADU** | | |
| - Chairman<br>- Vice-Chairperson<br>- Member-Secretary<br>**Ex-Officio Members**<br>- Secretary, Governor of Tamil Nadu<br>- Additional Chief Secretary, Higher Education Department<br>- Principal Secretary, Finance Department<br>- Secretary, University Grants Commission | - Minister for Higher Education | *Planning functions*<br>- To develop State Higher Education Plan and monitor its implementation<br>*Academic functions*<br>- To maintain examination standards<br>- Identify Centers of Excellence in Universities for growth in particular disciplines<br>- Training and development of teachers<br>- Set up State Centre of Research and coordinate activities between universities |

| Structure | Qualification | Powers & Responsibilities |
| --- | --- | --- |
| - Director of Collegiate Education<br>- Commissioner of Technical Education<br>- One Research Officer<br>- One Accounts Officer<br>- One Superintendent | | *Advisory functions*<br>- Develop norms and guidelines regarding block grants<br>- To evaluate proposals for new institutes<br>- Suggest improvements and changes in existing Statutes and Ordinances<br>*Funding functions*<br>- Administer grants-in-aid from government<br>- Administer research grants received from national and international agencies<br>- To identify and administer innovative programs for sustainable growth through self-generated funds from consultancy services to industries |
| **UTTAR PRADESH** | | |
| - Chairman<br>- Member Secretary<br>- 11-13 members | - To be appointed by the state government, an eminent academician, who is or has been a Vice-Chancellor or a senior administrative officer, serving or retired, not below the rank of Additional Secretary to the Government of India, having aptitude and experience in the field of education<br>- Principal Secretary/ Secretary to the state government in the Department of Higher Education<br>- Principal Secretary/ Secretary to the state government in the Department of Finance<br>- Principal Secretary/ Secretary to the state government in the Department of Planning.<br>- Secretary or any other officer of the University Grants Commission not below the rank of a Joint Secretary nominated by the Chairman of the University Grants Commission<br>- Director of Higher Education, Uttar Pradesh | *Planning and coordination:*<br>- Prepare consolidated programs in the sphere of higher education in the state keeping in view the overall priorities and perspectives of higher education in the state and the guidelines issued by the University Grants Commission and to assist in their implementation<br>- Assist the University Grants Commission in respect of determination and maintenance of standards and suggest remedial action wherever necessary<br>- Prepare perspective plans for development of higher education in the state<br>- Submit to the state government, if so required by it, the development programs of universities and colleges, along with its comments and recommendations<br>- Promote co-operation of institutions of higher education amongst themselves and explore the scope for interaction with industry and other related establishments<br>- Formulate norms and principles for starting new colleges and additional subjects and departments in the existing colleges in accordance with the guidelines issued by the state government and the University Grants Commission<br>- Suggest ways and means for augmenting additional resources for higher education in the state |

| Structure | Qualification | Powers & Responsibilities |
|---|---|---|
| | • Director of Technical Education Uttar Pradesh; three persons nominated by the state government from amongst the Vice-Chancellors of the universities<br>• Not more than three persons nominated by the state government from amongst eminent academicians each in the field of Education, Engineering and Law<br>• One person co-opted by the Council from amongst the principals of colleges.<br>• One person co-opted by the Council from amongst reputed industrialists whose contribution to the cause of higher education is significant. | • Coordinate research funding at national and international level for promotion of scientific research in the universities and colleges<br>*Academic Functions:*<br>• Encourage innovations in curriculum development, restructuring and updating of syllabi in universities and colleges<br>• Coordinate the programs of autonomous colleges and monitor their implementation<br>• Devise methods and steps to improve the standards of examinations conducted by the universities and autonomous colleges and suggest necessary reforms<br>• Facilitate training of teachers in universities and colleges and oversee the functioning of the academic staff colleges through coordination and encourage publication of quality text books, monographs and reference books etc.<br>• Develop programs for effective academic co-operation and interaction between the faculties in the universities and colleges and facilitate mobility of teachers and students in and outside the state<br>• Advice on regulating the admissions in the Universities and colleges;<br>• Encourage sports, games, physical education, cultural activities and other extra-curricular activities in the universities and colleges |
| **WEST BENGAL** | | |
| Members<br>• Chairman<br>• Vice Chairman<br>• Member Secretary | • Reputed academician appointed by government<br>• Reputed academician<br>• IAS Officer | • Act as a liaison between UGC, state and universities for quality, service-related matters (teaching and non-teaching staff), interpretation and formulation of rules and statues<br>• Development of plans and control unplanned expansion<br>• Curricular development, exam forms etc.<br>• Examine proposals for new institutions, self-financing courses and institutions<br>• Consider affiliation requests sent to each university<br>• Monitor quality through state Quality Assurance Cell |

# ANNEXURE II:
## Country Case Studies of State Higher Education Councils

## CHINA

*China's Higher Education Governance since 1978 – Redistribution of Authorities and Duties among Central Government, Local Government, Higher Education Institutions and Public Bodies*

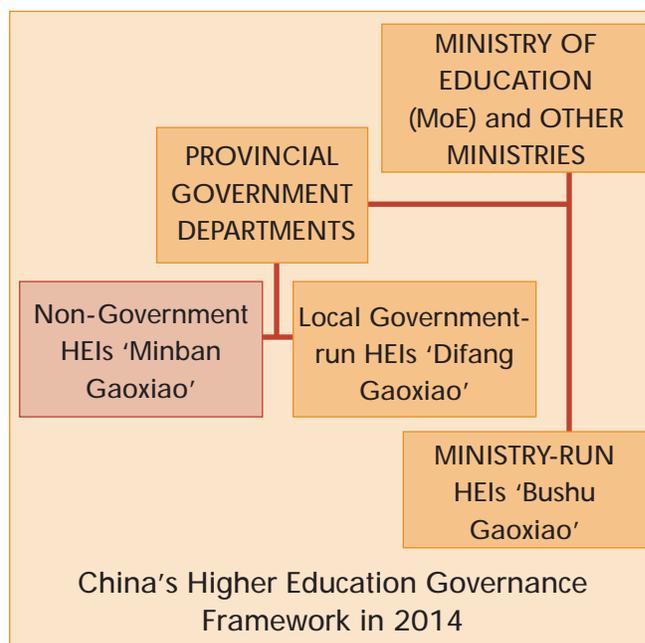## China's Higher Education Governance – Structural/Systems Level Reform

### China's Basic Higher Education Governance Framework

The diagrams below show the basic governance framework of the higher education system in 1978 and today (2014) in China. In this framework, there are three kinds of Higher Education Institutions (HEIs) classified according to their ownership:

❖ Central Ministry run HEIs called *Bushu Gaoxiao;* in 1978 these were run by different Central Ministries including a few run by the Ministry of Education (MoE). While today

such HEIs are mainly run by the MoE, these are called *Bushu Gaoxiao* or *Zhishu Gaoxiao,* although a few are run by other ministries for special reasons,[16] named now *Qita Bushu Gaoxiao.*

❖ Provincial/local HEIs named *Difang Gaoxiao* are run by local governments.

❖ Non-governmental-run HEIs are called *Minban Gaoxiao.* This kind of institution did not exist prior to the 1980s and China's HE reforms of this period. Currently, non-governmental-run HEIs are administered by the relevant local governments.



China's Higher Education Governance Framework in 1978



China's Higher Education Governance Framework in 2014

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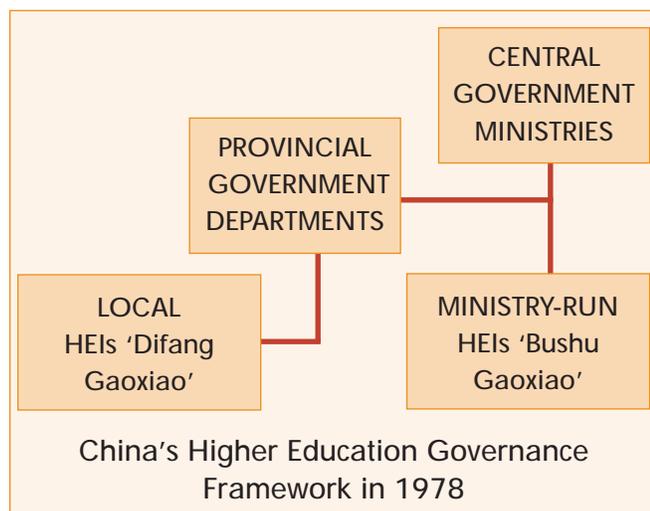
16  For example, some institutes dealing witht defence technology are under the control of related ministries.

The HE system of P.R. China was established in the 1950s, based on the pattern that existed in the former Soviet Union during this period, which was characterized by a highly centralized and planned economy. At that time, not only were all production, investment, prices and incomes in society determined centrally by the government, but also HE enrollments, subjects and curricula were all planned according to the demand of different industrial sectors; and all graduates were assigned employment related to the government's central plan. Though this kind of HE system helped China to meet its urgent demand for skills and capacity to support the industrialization of the country,[17] nonetheless, there were also many drawbacks.

## Drawbacks of the 'Soviet-pattern' Governance System

Looking back we can see several drawbacks of the 'Soviet-style' governance system of higher education in China:

a. *Wasting of resources and inefficiency in the running of institutions:* In the period from the 1950s to the 1980s, HEIs were mostly specialist institutions supporting different industry sectors – reporting to the appropriate ministries at the national level, or to different local government departments at the local level. These ministries or departments were established to support different industrial sectors, e.g. the vehicle manufacturing industry, which was governed by the Ministry of the Motor Vehicle Manufacturing Industry. This Ministry also controlled the enrollment, curriculum and the number of graduates assigned to relevant HEIs which specialized in the motor vehicle manufacturing industry, like JILIN University of Technology, co-located with the largest Chinese vehicle manufacturing plant – the first of its kind in the city of Changchun. The separation of the HE sector into so many specialist institutions made China's HE system inefficient:

- HEIs were small-scale, self-contained, with very low student-teacher ratios. Statistics show that in 1992 most universities had between 2,000 and 3,000 students, some of them (13.1%) had no more than 1,000 students.

- While the central ministries established and ran HEIs to meet their needs at the national level, local governmental departments were also running specialist HEIs at the local level; this led to the duplication of similar institutions, disciplines and specializations.

- Former Vice-Premier Li Lanqing once likened this fragmentation of higher education resources to 'a cake being reduced to a pile of crumbs after being repeatedly sliced this way and that.' Though these problems were acknowledged and the national government had made many efforts towards more rationalization in Mao's time, this never really improved the situation because the problems were deeply rooted in the "planned economy" which existed at that time.

b. *Narrowly specialized training:* Because HEIs were established to support industry's needs and run by different Ministries,[18] this meant that curricula were designed to meet specialist professional job requirements, and the all-round development of students was ignored. This resulted in students lacking the ability to adapt to the market and society after graduation. This narrowly specialized HE system also hampered scientific and technological development and the cultivation of well-qualified professionals.

c. *Lacking autonomy and vitality:* Most of the powers in the education system were concentrated at the government level, especially central government – higher

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17 China was largely an agricultural economy at this time.

18 Such as the Ministries for vehicle manufacture, coal mining, petroleum, ship-building, iron and steel, railway, highways, airplane manufacture, agriculture, agricultural machines, post, electricity, electronics, hydro-engineering, textile, light industry, broadcasting etc.

education institutions run according to the government's policies and instructions, but lacking even the basic autonomies and vitality. It is also important to remember that Chinese universities had almost a decade of stagnation during the period of the 'Great Proletariat Cultural Revolution'. Therefore, when China decided to 'open its doors' to the outside world in 1978, it carried not only the legacy of the Soviet-style system, but also a lack of development generally. Such had been the isolation in this period that HEIs did not have the right to conduct academic exchanges, or to sign cooperation agreements with foreign partners. However, on 6 December 1979, the presidents of Fudan University, Tongji University, *Huadong Normal* University, and *Shanghai Jiaotong* University jointly made a statement in the *China Daily* newspaper, appealing to the government to delegate autonomy to universities and, subsequently, changing the higher education governance system became a matter of strong public interest and concern.

## Evolution of the Reforms

**The beginning of higher education reforms: 1985-1991**

The opening and reform of China in 1978 meant that the Chinese government realized the whole economic and social system should be reformed to support China's modernization. It was in 1985, that the Central Committee of the Communist Party of China decided to transform China's economy from a highly centralized planned economy to a hybrid 'planned' and 'market' economy. '*The Decision to Reform the Education System*' was made in the same year, which stipulated that: the central government should change their role from direct management to indirect management, that is, focus on establishing guiding principles and general planning; encourage local government to run higher institutions and thereby establish "a three tiered" governance system covering: central, provincial and main cities (municipalities); as

well as endowing autonomous powers to higher education institutions.

This '*Decision*' marked the beginning of China's higher education systems reform. However, the most significant step was not taken until the early 1990s, when China decided to adopt the "market economy" in 1992.

**Exploring further reforms and development: 1992-1997:**

In 1993 the CPC Central Committee, and the State Council issued the *Programme for China's Education Reform and Development*, which became the principal policy document guiding China's higher education reforms in the 1990s.

In 1992, China clearly had set its goal of reform "to establish a Chinese socialist market economy." These market reforms provided the practical conditions needed for the implementation of the higher education reforms. During the market reform, Ministries of the State Council were largely reduced in size, many ministries (about 20) were even abolished, and hundreds of HEIs thus began to be detached from their original affiliated ministries and had to find their own way of surviving. Administrative responsibility for most of these institutions was transferred to local government. For instance, the *Tianjin Textile Industry Institute* originally came under the administration of the central Ministry of the Textiles Industry, but with the abolition of this Ministry, it was merged with another institution to form the *Tianjin Polytechnic University,* which is now under the jurisdiction of the Tianjin Municipal Government. Thus, with the restructuring of central government, during the introduction of market economy came the consequential restructuring of China's higher education system.

During this period, except for a few former ministry-affiliated HEIs transferred to the Ministry of Education, most other HEIs were moved to local government through direct transfer, merger, co-operation, or in other ways. Meanwhile, new universities such as *Nanchang* University, *Shanghai* University, *Yangzhou* University, *Guangxi* University,

*Yanbian* University etc. were formed as a result of mergers. These paved the way, and were good examples, for further reforms.

**All-round promotion of reform and development: 1998-present:**

The General Office of the State Council held four symposiums on reforming the higher education administrative system.[19] These consultation meetings served to summarize and exchange experience, to seek further consensus among various quarters, to push reform from a few pilot cases to the entire higher education sector, and to lay a solid foundation for revamping the higher education administrative system on a large scale.

Vice-Premier Li Lanqing delivered an important speech at the *Fourth Higher Education Administrative System Symposium* held in January 1998, where he put forward the famous "eight character principle" (a four-point policy):[20]

❖ *Gong Jian* (co-construction): while some HEIs were transferred from previous host ministries to local government or the Ministry of Education, the former host ministries or relevant bodies (in the case of the ministries that were abolished or merged) still provided funds to the HEIs together with the HEIs new host governmental body. For example, the University of Post and Telecommunication was transferred to the Ministry of Education, but the Ministry of Information Industries (the combined Ministry by the former Ministry of Electronics and the Ministry of Post which ran the university previously) still provides some funding to the university.

❖ *Tiao Zheng* (re-adjustment): the administrative power of the HEIs was adjusted (i.e. transferred) to the local government or other ministries without any additional conditions. For example, the administrative

powers owned (formerly by the Ministry of the Textiles Industry) for the East China Textile Industry Institute, the North-West China Textile Industry Institute and Tianjin Textile Industry Institute were all transferred to the Ministry of Education, the Provincial Government of Shaanxi and the Municipal Government of Tianjin, respectively.

❖ *He Zuo* (co-operation): some universities from the same location were encouraged to share their strengths and resources, foster inter-disciplinary co-operation in teaching and research, do their best to run institutions in an open manner, and avoid duplicating universities and faculties. For example, *Nankai* University and *Tianjin* University were not merged together, but have close co-operation including joint degree programs and joint research laboratories, which are financially supported by the government.

❖ *He Bing* (merger/consolidation): the merging of certain universities in the light of local circumstances, to overcome the problems of over-specialized HEIs and to improve teaching quality and administrative efficiency, allowing the merged universities to have a multi-disciplinary structure and the faculties to make their resources mutually complementary and deliver efficiency benefits on an expanded scale that resulted from the mergers. For example, the *Beijing* University of Medicine was merged with *Peking* University, *Hangzhou* University and *Zhejiang* Agricultural University merged into *Zhejiang* University.

These four policy 'points' became the guidelines for further reforms. Since then, the pace of higher education systems reform has accelerated greatly.

These four measures are by no means mutually exclusive. Yet, in practice, *Gong Jian* and *He Bing* became pilot mechanisms to support changes to the structure of higher education.

In this period, more than 1,200 institutions were radically changed through decentralization and

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19 Shanghai in 1994, Nanchang in 1995, Beidaihe in 1996 and Yangzhou in 1998.

20 *Gong Jan, Tiao Zheng, He Zuo, He Bing* are written using eight characters in Chinese (but as can be seen represent four points of policy).

amalgamation. After painstaking efforts, in 2000, Li Lanqing announced: that "the optimization of the administrative structures of higher education has been basically and successfully fulfilled". During the restructure, 452 institutions moved from central to local control. After restructure, the number of higher education institutions that remained under central control has decreased from about 400 to 113. Among them, about 70 flagship universities are now under the jurisdiction of the Ministry of Education, while less than 40 higher education institutions come under corresponding ministries for special reasons.

## Autonomy Reforms for Chinese Higher Education Institutions

In summary, since 1949, due to China's highly centralized planned economy, all HEIs came under the authority of central government. Up to the 1990s, although the government had policies and measures to give HEIs autonomous authority, these policies led to failure, because there were insufficient social and economic reforms and mechanisms to support institutional autonomy.

After 1978, the gradual establishment of China's market economy made it necessary to expand institutional autonomy – especially after December 1979, when the presidents of *Fudan*, *Tongji* and other universities took the initiative to point out the necessity for greater higher education autonomy. However, in June 1983 the Ministry of Education issued a policy document that gave permission to expand internal institutional administration to strengthen the vitality and responsiveness of HEIs. And, in 1988, the government began to implement the policy of "giving a fixed budget to HEIs, allowing residuals to be retained" to endow institutions more autonomy and encourage institutions to take their own initiatives to improve the quality of teaching, learning and research.

Then, in 1998, the "Higher Education Law" was issued covering specific requirements for HEIs' to strengthen autonomy in relation to the following seven areas: enrollments, course provision (disciplines), teaching, research, international

cooperation, human resource management, and the use of assets. According to the laws, at the same time as having these seven autonomous rights, Chinese HEIs are also responsible (i.e. accountable) for these areas. However, these rights did not entirely come into the hands of HEIs until recently.

# Localization and Diversification of China's Higher Education

## Two Distinguishing Features of China's Higher Education Structural Reform

To understand the evolution of these developments it is important to appreciate two distinguishing features of China's higher education structural reform. The first distinguishing feature of the HE structural reform was localization; from a governance point of view, localization means that the governance authority was transferred from central to local government. This reform led to local HEIs making up the greater proportion of the Chinese higher education sector, and consequently making a unique contribution to the democratization, popularization, regionalization and diversification of China's HE sector – for example, from 1978 to 2012 the overall scale of the Chinese HEIs increased from 598 to 2442, and that of the local HEIs from 343 to 2329 (including 706 '*Minban*' non-government run HEIs, which also come under local government administration) an increase of 57.34% in 1978 to 95.37% in 2012. And, there is a clear path of localization or decentralization that can be observed by the transfer of authority for higher education from central to local, and then to the HEIs themselves.

The second distinguishing feature of China's HE structural reform is diversification. Again, from a governance point of view, diversification means that governance authority is transferred from a single body (central government) to multiple bodies (different tiers of local government, social organizations (non-government), and HEIs themselves), this leads to a shared governance systems framework.

Along with localization and diversification, the growth of non-government run HEIs is also an important result of the reforms. According to national statistics, in 2012 there were 5.33 million students enrolled in Chinese HEIs; more than 20% studying in the 707 non-government run HEIs, and 1.2 million students graduated in that year (2012) from non-government run HEIs, about 17% of the total number of HE graduates. This shows that non-government run HEIs have already played a significant role in China's HE sector.

## Observations on the Transfer of Higher Education 'Authorities'

In the Chinese higher education administrative system, there are different bodies playing different roles, the main bodies are: (1) government – both central and local, which act as "administrators" to HEIs and "owners" of government-run HEIs; (2) HEIs, no matter if they are government-run or non-government, their principal function is as "executive authorities" of educational activities; (3) Social organizations or non-government and quasi-government bodies of different kinds, that carry out a wide range of functions – the important ones are "evaluators" of HEIs' performance, "overseers" of the conduct of HEIs and governments, and "owners" of non-government-run HEIs. Therefore, along with the reforms, HE authority is also being transferred between bodies and their functions or roles, transforming a highly centralized system to a decentralized system; resulting in a sharing of administrative functions between central government, local government, the HEIs themselves and society – all working in partnership.

## The Transfer of the Authority of Administration (Governmental Authority)

The Authority for administration of HEIs includes principally the following powers and rights:

a. To establish and run an HEI (to appoint and dismiss Heads of Institutions).

b. To examine and approve the establishment and running of HEIs.

c. To delegate the rights of academic degree conferment.

d. To examine and approve the establishment and running of Chinese-foreign cooperative HEIs.

e. To make HE regulations and policies.

f. To develop a national HE development plan including the size of the student body, and the structure of HE and different kinds of HEIs.

g. To evaluate the performance of HEIs.

Before the reform, these rights were mainly in the hands of central government, except the right a) to establish and run HEIs, which was shared with local governments, but still subject to the examination and approval by central government. Now, these rights except d) and f) are shared with local governments, and in practice, governmental authorities are mainly the local governments who provide administrative services to more than 95% of HEIs. The right to approve the establishment and running of Chinese-foreign cooperative HEIs (d) still resides with central government, but is expected to be localized to some extent in future along with the further opening up and decentralization of China's higher education.

And it is worth stressing that, since the 1980s, non-government social organizations have obtained the right to establish and run a HEI (a) with the approval of central or local government. For example, the Xian Institute of Language Translation, established in 1987, is one of the earliest private HEIs. This means that the right to establish and run a HEI is divested to non-government bodies and is no more a central "government authority," but a right of any person who meets the legal requirements.

The right to evaluate a HEI's performance is now delegated from the central and local government to non-governmental organizations. NGOs also have the right to assess the performance of a HEI, independently. This indicates that the right to evaluate a HEI's performance is not an exclusive right of government bodies, but shared with other bodies in society.

## The Transfer of Executive Authority (Operation) of Educational Activities (Institutional Authority)

Executive Authority includes the right:

a.  To recruit students.

b.  To recruit and promote faculty and staff.

c.  To conduct teaching.

d.  To conduct research.

e.  To conduct exchange and co-operation with domestic and foreign partners.

f.  To establish and run a HEI's internal academic and administrative system.

According to the 1998 Higher Education law, these rights are regarded as an institutional authority (i.e. executive authority for the whole institution), but historically most of them were regarded as a government authority. For example, until the late 1980s a quota for the recruitment and promotion of faculty had to be obtained in advance and finally be approved by government, and the government controlled the salary of HEI staff, too. The HEI could not set its teaching programs or sign research contracts on its own, but had to undergo the examination and approval by government, even teaching materials were centrally compiled by central government.

Since 1985, these rights have been gradually transferred to HEIs, such as:

❖   The right to recruit and promote faculty and other staff.

❖   The right to decide the academic curricula and approve research contracts.

❖   The right to set up internal academic and administrative departments and appoint their heads etc.

The right to recruit students is now shared; central government sets the overall number for the total recruitment of students and the quotas for HEIs. Provinces, i.e. provincial governments organize

the examinations and the setting of the minimum level scores for recruitment, and HEIs decide on their plans for recruitment and the thresholds for different disciplines.

## The Transfer of Authority for Fiscal Management

Authority for fiscal management includes the following rights:

a.  To invest in a HEI and its activities.

b.  To raise funds and receive donations.

c.  To control the HEI's salary levels.

d.  To determine the budget of the HEI.

e.  To determine the level of tuition fees.

f.  To use and manage the property, including the IPR.

Before the reforms the government ran all HEIs, and strictly controlled the revenue of HEIs as the "owner" with responsibility for all aspects of higher education. After 30 years of reform, the situation has changed greatly in the following ways:

1.  Not only governments but also other bodies have the right to invest in HE.

2.  HEIs have obtained the right to raise funds and receive donations.

3.  Salary levels are no longer controlled by government, but by HEIs themselves, following guidelines laid down by the "owners".

4.  Budgets can be determined by HEIs with the approval of its funders, but for government-run HEIs the investment in infrastructure is still controlled by the government.

5.  The right to determine the level of tuition fees has been transferred from central to local government with a certain flexibility for HEIs to set their own tuition fees within a given framework.

6.  The HEI has the right to use its property for teaching, research and other academic

purposes, and to own any relative IPR (which was previously owned by government). However, government still carries the right to approve the transfer of the property to others.

The trend of further reforms is to separate the role of "owner" and "operator/manager" according to government-declared guidelines for the reform of state-owned property management, so that it is expected that HEIs would have more authority to manage their property and assets.

# Autonomies and Accountabilities of China's Higher Education Institutions (HEIs)

Despite all of the reforms the present systems support from quasi- or non-governmental public bodies is still inadequate, and there are few mechanisms that properly support the management, evaluation and leadership needed by HEIs. At the same time, HEIs are unable to benefit fully from the greater autonomy they were given in the 1998 Higher Education Law, which requires the further reforms by government itself and the further development of the HEIs' internal systems of accountability to demonstrate that they can effectively and efficiently manage themselves. Therefore, despite the contributions of non-governmental public bodies' to the administrative development of HEIs, and Chinese HEIs themselves having gained seven areas of autonomy, in reality government is still carrying the major authority for oversight and evaluation of Chinese HEIs until there is a more effective development and implementation at both institutional and systems level.

## *Institutional Case Study:*
## The Implementation and Effectiveness of *Nankai* University's Autonomies and Responsibilities

The following **seven** areas will demonstrate the implementation and effectiveness of *Nankai*

University's institutional responsibilities regarding autonomy and accountability. As *Nankai* University is a MoE directly affiliated HEI, the MoE is the main stakeholder and evaluator in relation to the institution's autonomy and accountabilities.

1. **Autonomy and accountability in respect of raising funds and their use**

   *Autonomy:* At the beginning of China's reform and 'opening up' in 1978, the institution's funding was only provided by the central fiscal fund. There was no autonomy in the use of the funds and in the handling of assets. After the mid-1980s, with increased diversification of institutional funding, (including the central fiscal fund, research fund, tuition fees, social donations and other earnings), institutional autonomy was strengthened. Nowadays, the university has the right to create its budget according to its strategic plan, but this is subject to the examination and approval by MoE. In the budget, the institution itself can decide on the salary of its staff according to within-government guidelines and can allocate funds to different disciplines according to its institutional strategy.

   *Accountability:* The institution has to use the government fiscal funds and the tuition fees according to the approved annual budget and is accountable to the MoE (the MoE audit directly and/or delegate independent auditing firms to audit and monitor the university). The utilization of research funds should strictly follow the approved budget set by the relevant funders of research. Donated funds must be used according to the donor's requirement/specification. If the university does not use the funds properly and in accordance with the budget, it will be penalized by a reduction of its appropriation and/or the stopping of related projects, and the relevant persons in charge will also be subject to penalties.

## 2. Autonomy, accountability and responsibility for enrollments

*Autonomy: Nankai* University has a certain autonomous authority for student enrollment based on the national entrance examinations organized by provincial governments and restricted additional examinations organized by the university itself. It can self-regulate the student enrollment ratio for different specialities/disciplines within the total number decided by MoE and according to the list of specialities/disciplines for which the authority of degree granting was delegated to the university.

*Accountability:* The MoE controls the total number of enrollments. The whole process of enrollment is overseen internally by a joint committee comprising staff from relevant executive offices, the supervisory inspector appointed by MoE, representatives of the students, faculty and alumni, externally by the examination body, the MoE and local governments (from which the students will be enrolled), and finally by the public directly, as a result of the promulgation of the name list of enrolled students with their related exam scores and the related speciality for every province. Parents and the media also closely 'monitor' enrollments through their keen interest in enrollment processes and procedures.

## 3. Autonomy, accountability and responsibility for Teaching

*Autonomy:* Since the 1980s, *Nankai* has gradually gained the autonomy to decide its own teaching activities, select teaching material, design syllabi, determine the length of different study programs within a 3-6 year period and make its own semester plan etc. For example, in 1985, the university made its own decision to introduce a credit-based system. Undergraduate students can change their speciality, or can study for a double degree when meeting the university-set criterion. The above system frees students to study according to their own personal interests, which can contribute to the release of their potential ability and creativity and it can also help students arrange their campus year independently according to their personal study, ability and living conditions.

*Accountability:* The university has the responsibility to ensure its teaching quality and is subject to periodic assessment by accreditation bodies. Since 2012, the university has had to publish its Teaching Quality Report on its public website to provide public access, as a MoE requirement.

## 4. Autonomy, accountability and responsibility related to scientific research

*Autonomy:* Research funds are not appropriated from the MoE to the university but applied for competitively by faculty to different research funders based on their academic interests. However, the university does use part of its funds to support selected studies according to its academic development strategy and to reward faculty with good research achievements. Since 2010, the MoE has allocated a special fund to the university for supporting its own research initiatives and for young faculty to start their research. The university controls this fund within a MoE-approved and allocated budget.

*Accountability:* During the process of completing the projects, the university, as one party of the research contract, has the responsibility to oversee and assist teachers and researchers and ensure that projects are carried out according to project-set goals and to ensure research integrity. If there is misuse of funds, or a violation of research integrity, the university would be penalized accordingly.

## 5. Autonomy, accountability and responsibilities for Human Resource Management

*Autonomy:* In the late 1970s, the university's human resource management system was

managed by the MoE – i.e. all planning, recruitment, promotion, supervision and evaluation. Today, the university itself has the autonomous responsibility for its human resource management (though taking account of set quotas).

At present, within the quotas provided by MoE, *Nankai* University autonomously evaluates the professional titles of teachers; appoints the leaders of its internal academic and administrative departments; employs teachers and support staff, and decides on teachers' performance pay.

*Accountability:* The university has the legal responsibility for staff employment, and to guarantee the rights of its employees. The MoE supervises the university's human resource management system and retains the authority to appoint the Head of the University, special staff such as the supervisory inspector, and the Head of Finance.

6. **Autonomy, accountability and responsibility related to the authorization of degree programs**

    *Autonomy:* The university has the autonomy to set up and approve its bachelor, master's and doctoral programs, by setting recruitment criteria, designing course plans, setting credit requirements and research standards, etc. for different disciplines, once the rights of conferment of the related academic degrees of those disciplines have been delegated by MoE. In 2012, *Nankai* University became one of the pilot universities to undertake further reform of the governance of China's academic degree study system, i.e. to approve two (the number is very limited for it is just a piloting trial) new doctorate programs with positive external assessment by experts qualified by the MoE, and obtained the right to confer the related degree automatically.

    *Accountability:* The university is responsible for the quality of its academic degree

programs, which are periodically evaluated by the Chinese Academic Degree Programme Evaluation Centre established by the MoE. The evaluation results are published in the public media to provide public access to this information. If any program does not meet the standard set by the State Committee of Academic Degrees, the university will be penalized by stopping any new student recruitment to the program for a certain period, or by withdrawing the right of conferment of academic degrees for related disciplines.

7. **Autonomy and accountability in international exchange and co-operation activities**

    *Autonomy:* Since the reform and opening up of Chinese higher education in 1978, *Nankai* and other universities have gradually been given the autonomy to communicate and co-operate with foreign HEIs and other academic institutions as well as corporations and NGOs, including the authority to recruit foreign students, to invite foreign experts, and to send teachers and students abroad etc. However, holding international conferences and to establish collaborative degree programmes with a foreign university have to be approved by the MoE.

    *Accountability:* The university is responsible for ensuring the quality of any exchanges and co-operations, and also any related legal responsibilities.

From the above we can make the following conclusions. Up to now, although the autonomies, accountabilities and responsibilities of Chinese HEIs are yet to be enlarged and improved, and the effective engagement of those with appropriate experience from all walks of life to participate in the management of HEIs yet to be properly established, (and the fact that the Chinese government is still the ultimate principal supervisor and evaluator of Chinese HEIs' autonomy and accountabilities) – the case of *Nankai* University shows that institutional autonomy has greatly benefited institutional

development and progress, supporting the funding, teaching and research, international collaborations and aspects of university management and administration. It has also stimulated and motivated an enthusiasm for teaching and learning made the university better able to adapt to the needs of society and ultimately contribute to the further improvement and achievements of China's higher education sector.

# The Role of Non-Government Organizations (NGOs) as Public and Intermediary Bodies Participation's in Higher Education Governance

With the development of the socialist market economy system in China, non-governmental and quasi-government organizations offering public services as intermediary bodies have been introduced in China, though such organizations as a whole have relatively limited power and influence in the whole HE governance structure.

## The Main Types of Non-Government Organizations Relevant to Higher Education

In the field of higher education, there are six types of non-government organizations: authorized organizations (public intermediary bodies, or quasi-governmental bodies), voluntary organizations (not-for-profit), autonomous organizations, international organizations, private training organizations and distance education service organizations:

- ❖ **Authorized organizations** are the quasi-governmental public intermediary bodies with authorized functions by central or local government, such as the National Examination Centre, the Educational Admissions & Examinations Institutions of the provinces and cities, Chinese Academic Degrees & Graduate Education Evaluation Centre, etc. All of these public bodies are legally independent, but the government authorizes their functions and officers still

maintain a civil service rank, even if they are officially retired from government and are paid independently from the non-government organization.

- ❖ **Voluntary organizations** are organizations with charitable status, also called foundations. Besides the educational foundations set up by HEIs themselves, well-known foundations like *Shao Yifu* Foundation, *Li Jiacheng* Foundation, *Zeng Xianzi* Education Foundation, *Tian Jiabing* Foundation, *Ho Yingdong* Education foundation, *Wang Kuancheng* Education Foundation, *Baogang* Education Foundation, etc. are foundations set up by Hong Kong celebrities or overseas Chinese and big corporations, and such foundation donations are an important supplement to national education funding. E.g. hundreds of HEIs all over China have a *Shao Yifu* Library, benefitting millions of students.

- ❖ **Foreign NGOs,** like the Ford Foundation, and the Fulbright Foundation, also have an active role in Chinese higher education by making awards to outstanding teachers and students, supporting research and promoting international cooperation.

- ❖ **Private educational training organizations** have developed rapidly since the 1990s, such as *New Oriental, Ambo, Tomorrow Advancing Life, Xueda Education,* which are 'for-profit' companies. Today, just for foreign language training alone, there are more than 55,000 private institutions in China. And, there are organizations serving distance education for universities by providing facilities, learning instruction, examination and teaching/discussion places, etc. The most famous distance education service organization in China is the Centre of *Aopeng* Distance Education founded in 2002, which established more than 1,000 learning centers and accepted commissions for adult diploma education by more than 30 top universities.

- ❖ **Autonomous organizations** are small in number, but some of them have a rather

big influence on the society and also on HEIs. For example, the Guangdong Institute of Management publishes a list of annual rankings of Chinese HEIs, which has a strong influence on Chinese families when they select an institution for their children, and has an indirect impact on the government-organized evaluations of HEI's academic performance. Similar organizations, such as Netbig, make other kinds of rankings of HEIs, and consequently also influence HEIs' stakeholders.

## The Duality of Government and Society

Although such organizations in society have developed very fast in recent years, most of them do not play important roles in terms of higher education governance. The governance roles of public bodies are mainly played by those with the dual function of government and society, the quasi-government and semi-civilian-run organizations.

The most influential Chinese quasi-government organizations are the National Examination Centers and the Educational Admission & Examination institutions of the provinces and cities, which were established by government and act as semi-government institutions. They play a very important role in the reform of China's college entrance examination system – and are an important bridge between institutional practice and public administration. The legitimacy of such institutions lies in the fact that they are legal testing institutions that also guide the development, and protect the standards of basic education, as they are also the legal supervising institute for the HEIs' enrollment on behalf of all educational administration bodies. Their role is to act as the public administrative authority, which supervises higher education admissions, examinations, and the government, in turn, supervises them.

The other influential quasi-governmental (authorized organization) is the Chinese Academic Degree and Graduate Education Evaluation Centre, which was also established by government and acts as a semi-

government institution. This Centre is authorized by the MoE to undertake periodic evaluation of the academic performance of HEIs based on disciplinary development, and the evaluation results are published in public media, thereby having a wide impact on the institutional reputation; and the recent results of its evaluation in 2012 have been used by central government to adjust the appropriation to the central government-run HEIs in 2013. In a similar way, the Chinese Higher Education Teaching Evaluation Centre carried out evaluations to every HEI's undergraduate programs periodically; 592 universities' undergraduate programs have been assessed up to 2008, and the next round of assessments will start in this year (2014). The results from these assessments are likely to be used by the MoE and local governments to adjust the enrollment quota. Taken as a whole, this Centre's evaluation has helped universities set more appropriate goals and standards, thereby improving the teaching facilities, establishing a more efficient teaching system and a more effective supervision system. Though, at present it would be fair to say that, most teachers and students do not fully appreciate the impact of the evaluations on their teaching and learning.

The majority of such organizations compete for the public funds they receive, as well as earn income from the services they provide, and the trend is for them to become increasingly self-financing. Most are led by officers with a background in education administration and who are, or have been, civil servants (i.e. with a government rank and salary).

However, the impact of these non-governmental organizations, especially through the evaluation of HEI's different performance, is getting stronger. The China Management Science Research Institute published the earliest university rankings in China in 1987. Nowadays, there are more than 30 such rankings, which have been published by 14 non-governmental bodies. Among the highly influential ones that influence public opinion is the ranking made by Mr. WU Shulian and his research group of Guangdong Institute of Management since 1993, and the ranking of HEI's academic reputation by China Youth Daily co-opted by *Netbig* since 2000.

Compared with the government authorized evaluations, these non-governmental bodies published assessments have less substantial effect on the resource allocation by government, but they do have a growing impact on public opinion, and an indirect effect on the "official" evaluation, and even a direct impact on university's ability to raise funds.

## The Developmental Trend of Chinese Public Bodies Involvement in HE Governance

The most important decision made by Chinese government recently is "to let the market play a deterministic role for resource allocation," and to largely remove the government's authority on examinations and approval, or transfer them into lower-tier government or other non-government organizations, consequently changing the functions of government in these important areas. The coordination of this tripartite relationship "government-society-HEIs" is expected to make further progress in China in the future – especially in the following areas.

### Public bodies will have greater autonomy and accountability for governance

The logic of independent quasi-governmental intermediary bodies and other organizations' participation in the governance of Chinese HEIs results from the government's decentralization or power separation, and fundamentally meets the needs of market economic system reform.

In 2013, the Chinese government declared its recent goal of educational administrative reform to separate the roles of administration of HEIs, the operation of HEIs, and the evaluation of HEIs – to make the legal autonomies of HEIs a reality　(实行管办评分离，落实高校办学自主权), and also give the public bodies a bigger opportunity to play a greater role in the systems development and ultimately the governance of HEIs, as well as shoulder greater responsibilities themselves.

Such organizations will have more independence to set up organs for local government, employ staff, raise funds and participate in governance by undertaking the supervisory and evaluation authority currently offered by central and local governments. This could include monitoring and evaluating all levels of government duties stipulated in the laws and regulations as well as the implementation of related tasks such as: monitoring and evaluating HEIs' teaching and scientific research quality, teaching and research conditions.

### Pay More Attention to the Fairness and Efficiency of Intermediary Bodies and Non-Government Organizations' Governance

After 30 years since the reform, China's authorized intermediary HE public bodies and non-government organizations, especially the test institutions and evaluating institutes, have created a bridge between the government and educational services, and are an important channel for governments to provide public products and public services to HEIs and society.

Currently, the active participation in HE governance of non-government or quasi-government organizations, and their awareness of the importance of providing services in support of the HE sector are gradually improving. It is expected that the functions and efficiency of such bodies will be strengthened to provide better public trust in the products and services delivered by such bodies, and ultimately enhanced benefits to society, thus supporting a fairer, as well as more efficient system.

### Pay More Attention to the Intermediary Bodies and Social Organizations' Professional and Legal Construction

HE governance must also be based on legal academic and administrative authority, which takes into account the HEI's academic nature. Therefore, in order to improve teaching quality, strengthen the supervision of financial management, the

legal status and professionalization of non-government and quasi-government organizations must be strengthened, and such organizations need to improve their professional capacity and administrative excellence and authority.

This is the basic experience of such organizations' participating in HE governance. The current Chinese HE reform has entered a new stage of comprehensive reform, "Conspectus of National Medium and Long-term Education Reform and Development" (2010-2020) focusing on administrative systems reform, pointing out a need to "transform government education administrative functions," "improve the contribution from intermediary bodies and other education organizations, in respect of funding, monitoring and HE industry self-regulation systems. Actively develop the roles of industrial associations, professional societies, foundations, and other kinds of social organizations in the public governance of education." Along with the establishment of the National Advisory Committee on education and the National Advisory Board of HE funding, the effect will be to promote and improve the governance of China's HE to a new level with a more beneficial and rapid development.

## Conclusions on Higher Education Governance Reforms in China

Chinese higher education, at both the systems and institutional level, has benefited greatly from the tremendous political, economic and social reforms and development that has taken place since 1978. Looking back over this period, there is a significant shift from a highly centralized system to an increasingly dispersed or delegated model.

Reforms have clearly increased institutional autonomy and, in so doing, have promoted more effective systems of accountability. While it is clear that China, like all other countries, will find their own way to achieve greater effectiveness and efficiency of their higher education

sector – there are also similarities with other countries in terms of the challenges as well as wider goals and objectives. *"The challenge for governments is to ensure that increasingly autonomous and market-driven institutions respond to public interest agendas, at the national and regional levels, while also taking a greater responsibility for their own financial sustainability. The challenge for institutions is to manage a more complex portfolio of aims and funding; to differentiate themselves in an increasingly competitive environment; and to protect and maintain academic quality and their ability to deliver over the long term."*[21]

There are key challenges for all stakeholders – governmental and non-governmental bodies and HEIs – to focus on strengthening systems support as well as institutional effectiveness. This is clearly what the reforms are expected to achieve in the next phase of development for the Chinese higher education sector. It is clear that China has made major and important policy decisions that are opening up and encouraging a wider engagement with a range of stakeholders. To what extent will greater autonomy demonstrate greater transparency, fairness, effective and efficient accountability; not just for HEIs but also for all the public bodies – is the key question of this next phase of development. The very public bodies envisaged will also be contributing support and/or delivering services on behalf of all their stakeholders: government, the wider society, institutions and most importantly – the students. As can be seen, localization and diversification have taken place and is continuing. Public bodies will be key, but as a whole, they are at present, relatively weak in terms of their influence on higher education institutions in the whole HE governance structure. Their challenge will be to set up efficient systems that give good quality services that can cater to the needs of students and their institutions, and yet remain flexible enough for them, and the HEIs, to cope with a rapidly changing world.

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21 OECD (2004). On the Edge – Securing a Sustainable Future for Higher Education, Paris.

# ENGLAND

# The Development of Higher Education Intermediary Bodies in England since the 1970s

## Summary

This case study is about England. It focuses on the role of intermediary bodies in the oversight, funding and administration of Higher Education (HE). It is divided into 5 sections:

- ❖ Development of intermediary bodies
- ❖ Teaching funding
- ❖ Research funding
- ❖ Quality assurance
- ❖ Institutional governance.

It seeks to identify characteristics of efficient and effective intermediary bodies and of the way in which they work, which may also be of general relevance for other countries. Those characteristics of efficient and effective intermediary bodies include:

- ❖ A clear and explicit definition of intermediary bodies' roles and of the boundaries to those roles.

- ❖ A clear and explicit statement of the way in which intermediary bodies are expected to relate to other stakeholders and to HE institutions.

- ❖ A clear and explicit statement of each intermediary body's accountabilities.

- ❖ The importance of transparency in the way in which intermediary bodies do their work.

- ❖ The importance of extensive consultation about future plans.

- ❖ The need to staff intermediary bodies with people who bring the necessary balance of skills, knowledge and expertise and who have personal integrity.

- ❖ The need for high quality management information systems and high quality data.

- ❖ The importance from the HE institutional view of securing a balance between autonomy and accountability which will enable the institutions to achieve high standards.

These characteristics will be further elaborated and exemplified in the following sections.

## Development of Intermediary Bodies

When compared with similar institutions in other countries, universities and colleges in England enjoy considerable academic, financial and managerial autonomy. That has not always been so. The historic universities have a centuries-long tradition of autonomy, but they are complemented by many institutions that were originally subject to much greater regulation, and which became successively polytechnics and then universities in their own right. There has been a unified HE sector, with the Higher Education Funding Council for England (HEFCE: www.hefce.ac.uk) as its principal intermediary funding body and extensive autonomy for all institutions, since 1992.

Over the last 50 years the HE sector in England has faced the twin challenges of increasing participation from 5% to over 40% and at the same time expanding the volume and sustaining the quality of research. The principal motive in each case has been economic. There has been a parallel process of shifting the cost of undergraduate teaching from the taxpayer to the graduate through the increased use of student loans, first for living costs and more recently for tuition fees. That has led to a substantial shift in the role of HEFCE from a funding role to a regulatory one.

Universities were for much of the 20th century funded by the University Grants Committee (UGC), which was established in 1919. It was very largely independent of government. Perhaps the most significant political event which led to reform of the UGC was the impact of public spending cuts in 1981. The UGC implemented those cuts

by maintaining the level of funding per student and reducing student numbers and by making selective and deep cuts in some universities. That set of decisions was very controversial. Later in the 1980s, the polytechnics, which were subject to much more detailed controls than the universities, urged the government to give them autonomy comparable to universities. The result of the political pressures taken as a whole was a staged transition to the current unified sector, with HECFE as the single principal intermediary funding body.

That consolidation has been accompanied over time by a significant growth in the number of other national bodies with specific functions in relation to higher education.[22] The first of the seven Research Councils – which distribute public funding for research – was established in 1920. Over the last 25 years successive governments or the universities and HEFCE acting together have set up, for example, the Student Loans Company (www.slc.co.uk), the Quality Assurance Agency (www.qaa.ac.uk), JISC (www.jisc.ac.uk) founded as the Joint Information Services Committee to set up the IT network for HE, the Higher Education Statistics Agency (www.hesa.ac.uk), the Office of the Independent Adjudicator (www.oiahe.org.uk), which deals with student complaints, the Office for Fair Access (www.offa.org.uk) and the (subsequently abolished) Teacher Training Agency. There is also an independent national body – the Universities and Colleges Admissions Service (www.ucas.com) – which administers undergraduate admissions to HE across the United Kingdom.

Any country reorganizing its HE intermediary bodies might with advantage reflect on the balance between multi-purpose and single-purpose organizations. The experience in England suggests that there are often advantages in establishing single-purpose bodies where expertise can be concentrated and where the leadership can focus on a single mission and complement rather than compete with other national bodies.

It should be noted that there are a large number of other stakeholders at the national level with a direct interest in HE. They include, for example, professional and statutory institutions in fields such as engineering, medicine and architecture, and government bodies such as the UK Border Agency, the Charities Commission and the Health and Safety Executive. There is in practice a complex web of stakeholders at the national and local levels.

The statutory foundation for this structure is quite succinct. The key provision, which gives legal force to the so-called "arm's-length" principle of separating central government from detailed control over HE institutions, is that when the government gives grants – in the case of HEFCE it may not attach conditions to those grants which concern particular courses of study, or criteria for the selection and appointment of academic staff or the admission of students. The HEFCE Board has by law between 12 and 15 members, divided in practice approximately equally between senior academic members and those from a wide variety of other backgrounds. The "arm's-length" principle is also put into practice by appointing the government representative on the HEFCE Board as an assessor rather than as a full member, and this practice is replicated on the Boards of other National Bodies. The assessor does not have a vote in Board meetings and is invited to speak on issues of concern to the government.

HEFCE's role has changed in response to changes in the way in which English universities are funded. But some of its characteristics remain unchanged, and they exemplify all of the items in the list set out in the summary above. The basic role of the Council is set out in statute. Each year it receives a formal letter from the relevant government Minister setting out the funding to be made available and the priorities which the government wishes to see implemented. HEFCE has a set of detailed and public documents setting out its relationship with the institutions it funds. It is accountable to the government and to Parliament, and also – for example by holding an Annual Meeting open to all institutions – to the universities and colleges that it funds.

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22 Almost 30 within the UK – seven of which are related bodies to HEFCE and the other UK Funding Councils.

Its processes are very transparent and any changes are subject to detailed and public consultation. Over the years it has built up considerable analytical and statistical expertise and has established a very strong data infrastructure relating to the funding of institutions.

All of these processes are designed to support the significant degree of autonomy which the HE institutions enjoy. While HEFCE was the main funder of teaching, for example, the great majority of its grants were so-called block grants, giving the receiving institutions considerable freedom to spend the money to meet their own priorities. Institutions were and are expected to have their own strategies. HEFCE controlled the overall number of undergraduate places (because of the potential consequences for student support costs) and the balance between cheaper and more expensive courses. But institutions have the freedom to shift undergraduate places from one subject to another; and they have complete freedom to set their own number of postgraduate places and the levels of fees for postgraduate courses. They have complete freedom to appoint staff, with no political scrutiny let alone interference.

Institutions have freedom to generate funding from commercial and other sources and to spend that money to meet their own priorities; and, subject to HEFCE approval when the cost of servicing loans is a significant proportion of their total income, they have freedom to borrow money.

Over its lifetime HEFCE has used a variety of funding methodologies, including significant numbers of competitive funding streams aimed at systemic developments and reform using a small proportion[23] of its total grant, where institutions have to put in bids which are judged centrally. These are further examples of the importance of transparency, fairness and integrity.

HEFCE has always described its role as that of a funding body and not a planning body, because most of the decisions about which courses to offer

and all of the decisions about course content were taken at institutional level and overarching higher education policy decisions are (rightfully) taken by government. But it has always also had the role of being a regulatory body and of overseeing the health of institutions. It has carried out that role by a combination of system-wide monitoring, especially of financial health, and of targeted visiting and, where necessary, of targeted intervention. For example, HEFCE requires institutions to submit audited annual accounts, their own audit committee's annual report, their own internal auditor's annual report and an annual assurance return. There have been a very few cases where institutions have found themselves, for whatever reason, in significant difficulties. In such cases the "arm's-length" principle means that government Ministers look to HEFCE to take the necessary action without being controlled by the relevant government department.

HEFCE currently has some 250 staff. Over the years it has built up notable expertise in funding related strategies and methods. Such processes have evolved over time as the function of HEFCE and its predecessor bodies has developed following changes in relation to higher education policies. The Government of the day is responsible for public policy decisions for higher education. It devolves the responsibility for determining how funds should be distributed to HEFCE and other agencies. Bodies such as HEFCE could not carry out their work without an extensive electronic MIS infrastructure, which serves both to record the way in which grants are distributed and to identify potential stresses in individual institutions. Much of the wide range of data collected is published by HESA: see www.hesa.ac.uk.

## Teaching Funding

As participation in HE has grown in England, central government has taken the responsibility of setting overall UK and EU undergraduate student numbers. Within those totals, and subject to controls over a very few components such as medical student numbers, HEFCE has had responsibility for distributing teaching funding without government intervention. This approach has been based on a

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23 At present just under 10 per cent.

strategy of giving institutions considerable freedom to respond to student demand for particular subjects and particular courses.

Institutions, in contrast to the home undergraduate positions, have complete freedom to recruit international students for courses at all levels and very considerable freedom to recruit postgraduate students, whether from home or abroad. All of these freedoms combined with the bulk of funding coming from either block grant or tuition fees means that institutions have considerable internal freedom to spend teaching income as they see fit, and in particular to cross-subsidize between different activities when they so choose and the conditions attached to particular funding streams allow.

As noted above, the growth in participation has been accompanied by a shift from HEFCE teaching funding to variable tuition fees with a nationally-set maximum fee level for home students. Undergraduate students can take up loans to cover the cost of their fees; those loans are repaid after graduation as a fixed proportion of income once an income threshold is reached, in what is in effect a form of graduate tax. These developments have greatly increased the role of the Student Loans Company as an intermediary body in managing university funding.

In recent years central government has attached considerable importance to widening participation in HE for students from social or ethnic backgrounds with historically low participation rates. Another central body – the Office for Fair Access – has been established to oversee this process. It agrees targets with each institution and monitors their progress, again with an emphasis on both transparency and consultation.

Universities have always had their own degree-awarding powers and polytechnics were given those powers when they assumed their present status in 1992. Some smaller colleges still have their degrees validated by universities, but unlike many other countries there is not a national accreditation body.

## Research Funding

The structure of government research funding in England and the UK is unusual by international standards. Since the 1920s there has been a so-called dual funding system. The majority of the money is distributed by central bodies – now the seven Research Councils – to fund specific projects. But there is also a separate funding stream which is distributed by HEFCE and is intended to be spent on research infrastructure not linked to individual projects. The rationale is that this second funding stream enables universities to build up research capacity which can be applied to a variety of projects. The dual funding system has been very frequently challenged and reviewed, but has always been kept in place because it is seen to be the basis for an increasingly impressive research performance by universities in the UK.

In a direct analogy to the "arm's-length" principle described above, research funding decisions are taken by the Research Councils, taking account of government priorities but with no government influence over the distribution of funds between projects, which is determined solely on the basis of research quality: this is known as the Haldane Principle.[24]

The University Grants Committee first made an explicit distinction between teaching and research funding in 1986, at the same time as introducing the first Research Assessment Exercise (RAE). The RAE, repeated every six years or so, is an extensive review of the research performance of universities, subject by subject, on the basis of detailed information supplied by the institutions to subject panels which produce grading for each submission. Those gradings in turn determine the distribution by HEFCE of its stream of research funding.

The RAE, and its recent development into the Research Excellence Framework (REF), have been the subject

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24 In British research policy, the Haldane principle is the idea that decisions about what to spend research funds on should be made by researchers rather than politicians. It is named after *Richard Burdon Haldane*, who in 1904 and from 1909 to 1918 chaired committees and commissions which recommended this policy. (http://en.wikipedia.org/wiki/Haldane_principle)

of much debate. Against the list of characteristics set out in the summary, the exercise demonstrates the value of explicit roles and the combination of transparency, consultation, appropriate expertise, integrity and fairness. However debatable the precise details may be, the repeated RAEs undoubtedly show the potential impact of a new and strongly competitive funding government policy directive and how this is developed (by the intermediary bodies) into evaluation and funding methodologies.

At the same time the history of the RAE demonstrates the need to monitor the impact of new initiatives and to guard against undesirable consequences – in this particular case including the potential for generating unhealthy competition and for overcomplicating funding exercises. It follows that intermediary bodies have a responsibility to consider the overall effect of their work and to modify their approach if necessary, and most of the developments between one 'round of assessments' and another focus on such considerations. That having been said, most dispassionate observers would regard the RAE as a powerful example of the way in which performance can be improved over many years by targeted funding strategies.

## Quality Assurance

A national system with extensive academic autonomy and with, except for professional subjects, no accreditation activity as conventionally understood needs one or more effective quality assurance mechanisms. In England this issue has been a controversial one, not least because the older-established universities had no tradition of external quality assurance. The polytechnics were much more used to having their qualifications validated by an external body and indeed, were subject to inspection by independent Inspectors (appointed by the Queen in Council (the Privy Council – hence, Her Majesty's Inspectors).

Following political debate in the 1980s a national initiative on teaching quality assurance began in the early 1990s, under the auspices of the newly established HEFCE (for subject-based teaching assessments) and the Higher Education Quality Council (established by the then Universities UK in respect of institutional audit). Later, from 1997, both strands were amalgamated into the Quality Assurance Agency (QAA). It is not necessary to go into the detail, but undoubtedly the most influential initiative was the exercise to review teaching quality in all institutions, including observing teaching taking place as this was the first time in UK history that teaching and learning in all higher education institutions in the UK were externally assessed under one umbrella body. This placed a considerable premium on both the integrity of the review process and on transparency, since the results were made publicly available.

Over time the balance has shifted away from detailed review of teaching and learning by external peer review teams towards placing a greater emphasis on gathering and publishing students' views. Since 2005 there has been a National Student Survey, commissioned by HEFCE from Ipsos MORI, a multinational market research/survey company. The National Student Survey is now an increasingly important factor in influencing institutional behavior. The results are available by course for all institutions. This, too, has been the subject of vigorous debate, but has brought out the variation of performance within as well as between institutions. The use of Student Surveys is another model used in the UK and other countries to stimulate progress.

## Institutional Governance

Putting the student voice in a central position is also reflected in governance development in the UK. The fact that students are members of governing bodies of UK HE institutions as a matter of course and that they are expected to take an active role in both governance and management means that the student voice is heard at all levels in universities and colleges, to the considerable benefit of everyone.

Autonomous institutions need strong governance as well as strong leadership. In England the history is again divided into two streams, brought together in the 1990s. Universities traditionally had strong Senates (composed exclusively of academic staff) and large governing bodies whose role was relatively

limited. Polytechnic governing bodies were smaller and had a strong local government voice. After unification of the higher education sector and the bringing together of the two groups of institutions, there was a need to establish principles of good governance. Much of that work was carried out by a national review of HE, chaired by Lord Dearing, in 1997.

That review concluded among other things that governing bodies should not have more than 25 members; that they should always have a majority of external members; that there should be a clear limit to the length of service of members; and that all governing bodies should review their own effectiveness regularly.

The strengthening of governance at the institutional level is a highly desirable complement to the redefinition and strengthening of the role of intermediary bodies in the UK and in other countries – including India and bodies such as SHECs, because it clarifies the responsibility for defining institutional strategies and overseeing their implementation; for ensuring the effectiveness of institutional systems and for benchmarking institutional performance, all of which are key elements in improving outcomes.[25]

The development of higher education intermediary bodies in England since the 1970s has recognized the increasing complexity of the task of leading and managing universities and colleges in the modern world. It has increasingly focused on strengthening leadership, management and governance as inextricably linked activities, so that English institutions can exploit their relatively high degree of academic, financial and management autonomy by international standards, raise standards of teaching, learning and research, and at the same time be accountable to their stakeholders.

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25 The general principles underlying those conclusions and the accumulated experience of effective governance in UK institutions are similar to those in a number of other countries and align with the conclusions set out in the Good Practice Guide for Governing Bodies published by the World Bank's TEQIP II Project.

# UNITED STATES

# State Higher Education Boards in the United States: Developments and Good Practices

In the following, we will give an overview of the historical development of State Higher Education Boards in the US as well as give examples of how these intermediary bodies can support good practices in higher education governance.

## Development of State Higher Education Boards

The United States is a federal system in which both the federal government and the states play important roles in higher education policy. The federal government provides substantial funding through student financial assistance (grants and loans) and support of research. It is the states, however, that are responsible for establishing, supporting and overseeing the development of public colleges and universities. The states are also responsible for approving the operation of private institutions, both not-for profit and for-profit. To be eligible for federal funding, all institutions, both public and private, must be licensed by the states in which they operate.

The principal development of State Higher Education entities in the US occurred in the 1960s as the country experienced a dramatic growth in enrollments and expansion of the nation's higher education system. Most of the funding for this expansion came from states, not the federal government. Along with rapid expansion came major concerns about uncoordinated development of new institutions and duplication of high-cost facilities and academic programs. In response to these concerns, states established statewide coordinating councils and other mechanisms charged with overseeing the orderly development of higher education institutions.

As in the case of the UGC in the UK, the higher education coordinating entities in the US were designed explicitly to maintain a delicate balance between the state and higher education institutions. They were governed by councils or boards composed of leading civic leaders and, in some cases, academic leaders, and were granted a degree of independence from direct control of the state governor and legislature. At the same time, they carried out their responsibilities in a manner which respected institutional autonomy but insisted on institutional accountability.[26]

The federal government influenced the development of state higher education councils. The Higher Education Facilities Act of 1963 (and subsequent laws enacted in 1965 and 1972) required states to establish or designate state higher education commissions as a condition for eligibility for significant federal funding. The federal law specified that the commissions should be broadly representative of the general public and of public and private institutions within the state. States that had already established state coordinating entities designated these existing entities but were required to make changes in entities' membership and powers to comply with federal requirements. Other states established entirely new entities either by enacting a statute or by the Governor's executive order. Those state commissions established by law tended to have a lasting impact while those established by executive order either were repealed or given a limited role once federal funding was eliminated.[27]

## Types of State Boards

By 1974, all but three states had established a statewide coordinating or governing entity. Most of these entities remain today, but their roles and functions have evolved significantly. The specific powers and functions of these entities vary greatly depending on the state's governmental structure,

history, and size. Three states did not form a special statutory agency with authority to coordinate the state system. These states continued to handle statewide higher education issues through existing governing boards, informal coordination, and direct involvement of the governor and state legislature.[28] The remaining 47 states have state-level structures (intermediary bodies) to carrying out their higher education responsibilities, There are basically two broad categories of state higher education structures: (1) statewide university system governing boards (23 states); (2) and statewide coordinating boards (24 states). The basic differences between these types of state structure are as follows:

**Statewide university system governing boards:** Under this structure, all public post-secondary institutions are organized within/under one or more statewide system governing boards that encompass all the public institutions within the state. No intermediary entity exists between the system board and the state government. Typically responsibilities of system governing boards include: 1) strategic planning, budgeting and allocation of resources between and among institutions within the system; 2) appointment, compensation, and evaluation responsibilities for system and institutional chiefs; 3) advocating the needs of the institutions within the system; 4) academic policy including approving new academic programs, awarding degrees, and awarding tenure to faculty/academic staff. In most of these states, there is no intermediary body between the university system and state government except for higher education service agencies with limited administrative and regulatory authority.

**Coordinating boards:** Coordinating boards are intermediary agencies responsible for overseeing decentralized systems in which the responsibility for governing institutions is assigned to multiple system and institutional boards. Coordinating boards do not govern university systems or institutions. Therefore they do not have any role in the appointment of institutional chief executives

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26 Berdahl, R.O. (1971). *State Coordination of Higher Education*. Washington D.C., American Council of Education.

27 McGuinness, A., McKinney, H., and Millard, R. (1974). Changing Map of Postsecondary Education: Implementation of the State 1202 Commissions. Denver: Education Commission of the States.

28 McGuinness, Aims (2010). The States and Higher Education in American Higher Education in the Twenty-First Century: Social, Political, and Economic Challenges, 2nd Edition, Altbach, P., Berdahl, R. and Gumport, P eds. John Hopkins University Press.

and in institutional policy and management. In this respect, coordinating boards carry out their responsibilities in ways that respect and support the autonomy of the institutions within their jurisdiction. The powers and functions of coordinating boards vary depending on the circumstances of each state. Common functions include:

- **Strategic long-range planning:** Developing and periodically updating a statewide plan setting forth goals related to access, student success, responding to labor market needs, and linking research and innovation to the state's competitiveness.

- **Academic program review and approval:** Ensuring that academic programs respond to state priorities and avoid unnecessary duplication of high-cost, low-demand programs.

- **Budget review and resource allocation methodologies:** Reviewing institutional budgets and making recommendations to the state government on operating and capital (investment) budgets for the higher education system. Recommending formulas and other methodologies for allocation of state funding among public institutions.

- **Policy analysis:** Conducting special analyses to support policy-making by the Governor and State Legislature.

- **Maintaining comprehensive data/information systems:** Maintaining data/information systems to support strategic planning, policy analysis, and hold institutions accountable for progress toward statewide goals.

- Administration of state student financial assistance (grant and loan) programs.

- **Project administration:** Administration of state and federal programs intended to address access, quality or other critical issues.

- **Regulation of non-public institutions:** licensure and approval of non-public institutions to operate within the state.

The state role in the US has evolved over the past 50 years from an emphasis on centralized planning, regulatory control and accountability for inputs toward a focus on strategic planning, increasing institutional autonomy, and holding institutions accountable for outcomes. Finance policy has shifted from detailed cost-based enrollment-driven formulas to allocation based on performance and outcomes such as degree completion.

## Good Practices of State Higher Education Boards

There is widely consensus that because the context and structure of each country's or state's higher education system is unique; it is not possible to identify specific geographic places as complete examples of good practices in higher education governance. Nevertheless, there are certain characteristics of policy leadership in higher education that can be related at least indirectly to their performance over time. Good practices in statewide coordination of higher education is closely linked to strong leadership seeking to address the key issues of access, affordability, quality, relevance and completion of higher education. The National Center for Public Policy and Higher Education is suggesting the following key characteristics of that political leadership:

❖ A broad-based public entity with a clear charge to increase the state's educational attainment and prepare citizens for the workforce.

❖ Strength to counter inappropriate political, partisan, institutional, or parochial influences.

❖ Capacity and responsibility for articulating and monitoring state performance objectives for higher education that are supported by the key leaders in the state; objectives should be specific and measurable, including quantifiable goals for college preparation, access, participation, retention, graduation, and responsiveness to other state needs.

❖ Engagement of civic, business, and public school leaders beyond state government and higher education leaders.

❖ Recognition of distinctions between statewide policy – and the public entities and policies needed to accomplish it – and institutional governance.

❖ The role of statewide policy leadership is distinct from the roles of institutional and segmental governing boards.

❖ Information gathering and analytical capacity to inform the choice of state goals/priorities and to interpret and evaluate statewide and institutional performance in relation to these goals.

❖ Capacity to bring coherence and coordination in key policy areas, such as the relationship between institutional appropriations, tuition, and financial aid.

❖ Capacity to influence the direction of state resources to ensure accomplishment of these priorities.[29]

No state structure in higher education is thus perfect or easily transferrable; it is the product of the state's unique culture and challenges. However, the higher education literature does note characteristics of effective state coordinating boards:

❖ *Independence* - The capacity to gain the trust and respect of both academic/institutional leaders and state political leaders for the quality and integrity of analysis and decision-making processes.

❖ *Professional staff capacity related to:*

▪ Strategic planning: developing broad consensus among stakeholders on long-term goals and strategies.

▪ Use of data/information systems to inform strategic planning, policy development and public accountability.

▪ Developing and recommending finance policy to state leaders (e.g. budgets and resource allocation methodologies) aligned with the state strategic plan.

▪ Leading state initiatives that cut across sectors aimed at addressing critical state-

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29 National Center for Public Policy and Higher Education (2005). "State Capacity for Higher Education Policy". A Special Supplement to National Crosstalk.

level issues related to access, quality, and system efficiency/performance.

- Holding institutions accountable for contributions to state goals.

❖ *Consistency and integrity in values, focus, policy development, and communications.*

## The Challenge of Sustaining Effective State Coordination

In practice, sustaining effective coordinating agencies meeting the points of "good practice" is a continuing challenge in the US. Common issues include the following[30]:

❖ **Lack of balance in policy-making.** Several state coordinating entities have failed to maintain a balance between responsiveness to the demands of the state political leadership, on one hand, and the demands of academic/institutional representatives, on the other. State governors in some states are exerting increased control with the result that the agencies have lost their independence and credibility within the academic community. The agencies' ability to sustain attention to a long-term agenda is undermined by short-term political agendas and changes in political leadership. In other states, higher education institutional interests dominate the agencies' agenda and they have limited credibility with the state political leadership. The agencies are seen more as advocates for special interests rather than for the broad public interest.

❖ **Weak membership.** The members of most state boards are appointed by the state governor. In several states, governors have not appointed prominent individuals with the leadership experience and pre-eminence necessary to carry out major changes in the state's higher education system. The agencies' actions are ignored by both political and academic leaders.

❖ **Lack of coherence in policy-making and implementation.** The most serious common issue is a lack of connection between the allocation of public funding and accountability, on the one hand, and the long-term goals set forth in strategic planning, on the other. Public funding continues to be allocated with no reference to expectations for performance related to long-term goals. Accountability requirements remain focused on narrow input measures, not on indicators of effectiveness or efficiency.

❖ **A workload dominated by bureaucratic regulatory functions and not providing policy leadership toward long-term goals.** A number of state coordinating entities have drifted away from playing a central role in policy leadership (strategic planning, strategic budgeting, and leading system change) to a passive bureaucratic, regulatory role. As a consequence, the agencies have neither the credibility nor capacity to play a significant role in shaping or implementing state higher education policy.

❖ **Lack of professional staff competence.** Effective performance of state coordinating functions requires a professional staff with a high level of technical competence (in areas such as strategic planning, policy and financial analysis, and data/information systems). It also requires professional staff with exceptional skills and professional experience in working both with institutions, as well as with political leaders and state agencies. It is difficult to find individuals with the requisite skills and experience to fill these positions. Low salaries and political intrusion in making appointments undermine the ability of agencies to recruit staff.

Sustaining effective state coordinating agencies in the US requires on-going attention. Agencies recognized as the best in the country at one point have de-generated over time into weak, ineffective entities for the reasons summarized above. Other agencies have gained in strength over time because the states have taken deliberate steps to implement the points of "good practice" summarized above. Periodic review and renewal are the key to sustaining an effective agency.

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30 Perna, L, and Finney, J. (2014). The Attainment Agenda: State Policy Leadership in Higher Education. Baltimore: Johns Hopkins University Press.

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