



KAGISANO

CHE HIGHER EDUCATION DISCUSSION SERIES

GOOD GOVERNANCE in HIGHER EDUCATION.
REFLECTIONS on CO-OPERATIVE GOVERNANCE in SOUTH AFRICAN HIGHER EDUCATION

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CONTENT

PAGE

Preface	iii
Introduction	
<i>Lis Lange</i>	1
Co-operative governance or conditional autonomy? Principles for governance of South African higher education	
<i>Martin Hall and Ashley Symes</i>	5
Would moving from co-operative governance to conditional autonomy contribute to effective governance?	
<i>Teboho Moja, Nico Cloete and Nic Olivier</i>	30
Further Reading	40

PREFACE

The (South African) Council on Higher Education (CHE) is an independent, statutory body established by the Higher Education Act of 1997. Its responsibilities are diverse and include:

- Advising the Minister of Education on all matters related to higher education
- Producing an annual report for the South African parliament on the state of higher education
- Monitoring the achievement of policy goals and objectives
- Assuming responsibility for quality assurance in higher education through the accreditation of programmes and institutions, audits of the internal quality management systems of institutions and quality promotion and capacity building initiatives
- Convening an annual consultative conference of national stakeholders
- Contributing to the development of higher education through publications and conferences.

In accordance with the last-noted responsibility, and as one of its range of publications, the CHE has initiated *Kagisano* as a *Higher Education Discussion Series* to stimulate discussion and debate around important issues related to the development of higher education.

'Kagisano' is a Sotho/Tswana term, which means 'to build each other' or 'to collaborate'. We hope that this publication will serve as a mechanism for collaboration in building our knowledge base on and around higher education and each other intellectually.

The CHE will, when necessary, also establish national or regional *CHE Discussion Forums* to stimulate discussion and debate related to the themes of *Kagisano* and other higher education issues. To date, three *CHE Discussion Forums* have been held, all in Pretoria:

1. *Key Global and International Trends in Higher Education: Challenges for South Africa and Developing Countries* with Prof. Philip G. Altbach, Director, Centre For International Higher Education, Boston College, Massachusetts, United States
2. *Globalisation, National Development and Higher Education*, with Prof. Manuell Castells, Professor of Sociology, and Professor of City & Regional Planning, University of California at Berkeley.

3. *A Decade of Higher Education Reform in Argentina: What Balance*, with Dr Marcela Mollis, Director of the Research Programme on Comparative Higher Education at the Research Institute of Education at the School of Philosophy and Literature, at the University of Buenos Aires, Argentina

Readers are invited to comment on any aspect of ***Kagisano*** and forward these to: kagisano@che.ac.za

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INTRODUCTION

The issue of the governance of higher education institutions in South Africa became one of the focuses of higher education reform in the mid-1990s when the transformation agenda of the country necessitated a new relationship between higher education institutions, the state and civil society on the one hand, and between higher education constituencies and internal governance structures on the other. Thus the reform of the governance of higher education institutions constituted one aspect of the transformation of the higher education system to serve the goals of a newly established democracy that had to respond to the social and economic deficit inherited from four decades of apartheid. In this context, governance was far from being seen as a technology of management; it was an eminently political process on which depended the realisation of substantive democracy. Governance was a mechanism to achieve democratic consensus about the objectives, processes and timeframes for institutional and systemic transformation, and in that sense it implied a high degree of co-operation between government and institutions.

Sensitive to the political juncture, the system of cooperative governance for higher education institutions offered by the National Commission on Higher Education, which the Higher Education Act adopted with modifications, proposed a model of internal and external democratic accountability for higher education institutions.

Five years later internal problems at some institutions cast some doubt on the effectiveness of cooperative governance at the same time that it created the context for greater and more prolonged government intervention in the actual governance of institutions. Against this backdrop the Council on Higher Education launched an investigation into governance of higher education institutions in order to advise the Minister of Education on the current state of governance at our institutions of higher learning. This issue of *Kagisano* takes that investigation as its point of departure. The process of policy advice is, however, different from, though not contradictory to, the need to stimulate intellectual and political debate among higher education stakeholders, which is the purpose of this publication.

Why encourage debate about governance? It is not only that the current restructuring of the higher education landscape has brought sharply to the fore the issue of the relation between institutions and the government; it is that the programme for the transformation of the South African higher education system has made necessary a critical revision of the relation between higher education institutions and society. From the perspective of the relationships between higher education, the state and society the issue of accountability has many more layers than simply the responsible use of

public funds. Issues of trusteeship, public good, and, of course, the issue of the nature and function of higher education institutions, both public and private, cannot be brushed aside.

However, these issues cannot be solved either by a technical approach to governance (governance as the technology of good management) or by allowing the state to intervene in all issues and at all levels in higher education institutions. Neither can higher education institutions cling to a notion of institutional autonomy that endorses a fundamental separateness between society and institutions of higher learning as if they were institutions of society instead of institutions for society.¹ These issues raise conceptual and practical tensions which might not be easily resolved but that need to be thought through and debated outside the constraints of acts and regulations in order to come back to the regulations.

As readers of the previous issue of *Kagisano* might remember, *Kagisano* intends to generate debate by providing a first entry point into a topic. The two articles here presented argue two complementary aspects of governance. Hall and Symes in 'Cooperative Governance or Conditional Autonomy? Principles for Governance of South African Higher Education', suggest that the transformation of the governance of higher education institutions in South Africa took a historical form that responded to the particular political and ideological circumstances of the early democratic transition, and that this form, cooperative governance, needs to be reconceptualised in the light of the evolving context of policy implementation, especially in terms of the changing balance between state authority and institutional autonomy. Hall and Symes describe the new situation as conditional autonomy, a governance system in which institutions are granted their autonomy as far as they meet the objectives of systemic reform including administrative efficiency and effectiveness.

Teboho Moja, Nico Cloete and Nic Olivier, in 'Would moving from cooperative governance to conditional autonomy contribute to effective governance?' critique Hall's and Symes's proposal of replacing cooperative governance with conditional autonomy at two levels. At the methodological level, they see a less than rigorous slippage between the institutional and the systemic level which, in their opinion, does not substantiate the diagnosis of failure of cooperative governance. At the political level Moja *et al* warn against conditional autonomy as a form of state control that involves not only the specific relationship between the Ministry of Education and individual higher education institutions but the governance of the system of higher education as such. On a similar note, they argue that to change the basis of the governance of higher education institutions to solve the problems of a handful of dysfunctional institutions is tantamount to changing policy when reform is problematic.

What the two articles have in common, whether for or against, is that both construct their arguments within the framework of cooperative governance within which the

main issue is the relation between higher education institutions and government in relation to a particular political project. However, if one moves slightly away from the governance of higher education institutions into the issue of society governance a number of supplementary questions emerge. Among them is the issue of governance as a political problem.

Keynes suggested that the fundamental political problem is how to combine economic efficiency, social justice and individual liberty.² If one defines governance as the means by which societies deliver collective goods and minimise collective bads,³ one could argue that the ways in which societies combine efficiency, justice and personal freedom define different governance models. Good governance, following this argument, is predicated on the existence of a collective or public good and is based on a particular combination of economic efficiency, social justice and individual freedom in which economic efficiency is not only based on attaining the maximum individual freedom and satisfaction of personal needs but on the distribution of wealth and goods in a social manner. But also good governance is based on the production of a space where individual members of societies have personal freedom to pursue their desires while they produce wealth and goods to be redistributed. Good governance, however, does not solve the tension between the collective and the individual; it simply mediates it.

As a mediation mechanism that helps to deliver collective goods governance cannot be separated from accountability and, in this sense, governance is not politically neutral and cannot be reduced to good management. Following on Keynes's proposition, accountability as the obligation to justify actions and decisions operates at several different levels simultaneously: in terms of economic rationality when it has to answer for the relation between cost and benefit; in terms of social values when it has to answer for the achievement of agreed outcomes; and at the level of individual freedom when it has to answer for the achievement of desired outcomes.

This, which applies in the first place to the relationships between civil society, the individuals and the state, can also be applied to the relationships between institutions, civil society and the state, and to the relationships between an institution's constitutive parts.

The governance of higher education institutions is a particular case of these relationships which, far from being immune to history, has been impacted upon by every stage in the relationship between state and civil society, and by every struggle in the process of democratisation of government and society round the world. The last three decades of higher education reform at an international level have revised the governance of institutions and therefore their relationship with state and civil society, with enormous consequences for the processes and structures of governance inside higher education institutions.

Some of the debates that have taken place in the process as well as certain of its outcomes propose an understanding of governance that reduces accountability to efficiency,⁴ emptying governance not only of its role in balancing economic needs, social justice and personal choice, but also of its participative dimension.

Recasting the debate on higher education institution implies questions like these:

- ✿ Does the changing relationship between higher education, society and the state require a new theorisation of governance that goes beyond the application of principles of efficiency within a business management paradigm?
- ✿ What are the parameters and boundaries of the state's role in the restructuring of higher education? How much can the state intervene in higher education institutions before entering the grey area of institutional autonomy?
- ✿ What are the principles and strategies of higher education governance that will guarantee the production of knowledge in all science cultures as well as the emotional and intellectual wherewithal to innovate, push the boundaries of knowledge, and use it progressively and democratically?
- ✿ How is the governance of higher education delivering collective goods and minimising collective bads?

The CHE hopes that readers will actually engage in the debate opened by the arguments advanced by Hall and Symes, and Moja, Cloete and Olivier, and that this second issue of *Kagisano* will spark as much interest as did our first issue. Comments on this issue can be sent to the CHE through our website <http://www.che.ac.za>

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Notes

- ¹ Barnett, R., *The Limits of Competence. Knowledge, Higher Education and Society*, London, SRHE and Open University, p.4.
- ² Devetak, R. and Higgott, R. Saving the social bond and recovering the public domain, in Daniel Drache (Ed.) *The Market or the Public Domain. Global Governance & The Asymmetry of Power*, London and New York, Routledge, 2001, p. 360.
- ³ Devetak & Higgott (2001) p. 371.
- ⁴ Peters, M., Marchall, J. and Fitzsimons, P. Managerialism and educational policy in a global context: Foucault, neoliberalism and the doctrine of self-management, in Nicholas Burbules and Carlos Torres (Eds.) *Globalization and Education. Critical Perspectives*, London and New York, Routledge, 2000, pp. 116.

CO-OPERATIVE GOVERNANCE OR CONDITIONAL AUTONOMY? PRINCIPLES FOR GOVERNANCE OF SOUTH AFRICAN HIGHER EDUCATION

Martin Hall & Ashley Symes

INTRODUCTION

The current framework of South African higher education governance has been in place for over five years, a sufficient period to allow an assessment that combines an appreciation of the political purposes underlying policy, with an evaluation of the effectiveness of policy implementation. Clearly a full assessment of governance must encompass both system and institutional levels. This paper focuses on the system level, both as the logical starting point of an assessment, and because the South African higher education system as a whole is to be restructured. In particular, we aim to make a contribution to understanding and evaluating principles defining the role of the state in the balance between state control and institutional autonomy.

In essence, we argue that the time is ripe for revisiting the principles that underlie the governance of the higher education system. We take as our starting point the existing higher education policy and legislation framework, encapsulated in the 1997 White Paper and the Higher Education Act of the same year - a framework that originates in the South African socio-political transition of the early and mid-1990s. From this basis, we consider the extent to which the evolving context in which the implementation of this policy is taking place, may prompt a reappraisal of the conceptual foundation of higher education governance.

We believe that the first five years of implementation of the new policies for higher education governance have demonstrated that their key philosophical foundation - the concept of co-operative governance - has not proved sufficiently robust. Interpretation of legislation and policy - buttressed by a series of amendments to the 1997 Higher Education Act - has seen the state take an increasingly dominant role in governance, culminating in Cabinet's adoption in May 2002 of government proposals for transformation and reconstruction of the higher education system, including a programme of extensive institutional restructuring arising from the recommendations of the National Working Group. We propose, as an alternative to co-operative governance, the concept of "conditional autonomy". This, we believe, better captures the relationship between individual institutions and the state in a context such as that of contemporary South Africa, and serves to focus attention on the key issues for governance.

CO-OPERATIVE GOVERNANCE

The higher education system inherited by the first democratically elected South African government in 1994 was characterised by multiple divisions on the basis of language, ethnicity, location and resources.¹ Under the apartheid regime, the relationship between individual institutions and the state varied considerably, making it impossible to generalise the balance between state control and institutional autonomy in the system.² The ten universities initially reserved for white students enjoyed a substantial degree of autonomy. They were funded with block grants, allocated on a formula basis according to retrospective student enrolments, research outputs and a number of other factors, and enjoyed a considerable degree of freedom in internal budgeting. The four English-medium institutions in this group - the "liberal universities" - emerged as centres of opposition to apartheid policies but were subjected to comparatively little state interference as a consequence, given the generally repressive nature of the South African apartheid state. The Afrikaans-medium universities were given equal freedom. In contrast, the six homeland universities were designed as extensions of the Bantustan bureaucracies, with tight controls over the appointment of teaching staff and similar attempts to control the curriculum. Their budgets were line-item extensions of homeland administration budgets, following the continental European tradition of the university as an integral part of the civil service. The technikon sector, in contrast again, was established to promote vocational education and training and the institutions in this category had a nationally-controlled and synchronised curriculum, and weak or non-existent traditions of academic freedom.

Thus in 1994, the need to create a single, national, integrated system of higher education was acute. At issue was what a single co-ordinated system would mean in practice - how this would affect institutional autonomy, curriculum, academic freedom, and institutional focus - while recognising that some questions would be answered only in the course of the implementation of new policies.³

Critical debates leading to the current framework for higher education⁴ had been initiated in 1990, when South African political life was normalised with the unbanning of political movements, and the shaping of new policy reached its first formal milestone with the release of the report of the National Commission on Higher Education in 1996. These debates thus took place in the early phase of South Africa's social, political and economic transformation, when the touchstone for achieving consensus was the notion of a social contract between all stakeholders, whether the system in question was education, housing, health and welfare or the other major domains in which the state has a primary interest. Such social contracts, in which stakeholders were willing to strike a compromise for the sake of the common and the public good (most

famously exemplified in the "sufficient consensus" of the constitutional negotiating process), were essential to launch the transition in values, policies and laws.

Consequently, the National Commission on Higher Education's starting point in addressing transformation, including the transformation of governance, was the issue of social justice. The Commission's goal was the suspension of sectorial interests in the broader cause of reconstruction and development, thus seeking to resolve the campus conflicts that were disabling higher education across the country. The Commission also wished to move forward rapidly in transforming institutions, and in instilling improved management practices without violating academic principles. As a consequence, South Africa's new higher education policies came to be cast within a political philosophy known as "co-operative governance", "an attempt to combine, in a particular South African way, more democracy with more modern management"⁵.

The National Commission conceptualised co-operative governance as a version of the "state supervision" model already well tried in a number of other countries. Typically, in state supervision systems (as distinct from either state control or state interference systems), the state sees its task as supervising the higher education system to ensure academic quality and to maintain a certain level of public accountability. In this model the government is "an arbiter who watches the rules of the game played by relatively autonomous players and who changes the rules when the game no longer obtains satisfactory results".⁶ The Commission shaped this approach to take account of particular characteristics of the South African higher education system, including weak integration, poorly developed planning and regulatory structures, and low levels of mutual trust. In doing so, it proposed a particular mode of political co-ordination⁷, based on the notion of co-operation.

Specifically, the Commission proposed that government should not become the single agent of system governance, but should have "a range of roles and obligations, in a variety of co-ordinated arrangements". It "should exercise its powers ... in a transparent, equitable and accountable manner and in a discernable pursuit of the public good", and should take into account "the social, cultural and economic needs and concerns of all potential (direct and indirect) beneficiaries of higher education". Government should allow "the maximum degree of practicable autonomy" and show a "commitment to consultation and negotiated solutions to problems" through taking a "proactive, guiding and constructive role". For their part, managers of institutions should show "a willingness to interact and establish relationships with a wide range of partners". They should be responsive to national and regional needs and promote a favourable institutional environment. Staff members should exercise responsibility by showing "dedication to the values of higher education and a readiness to serve these values with academic integrity, in a spirit of independent and critical thinking".

Academic work should "be open to scrutiny and ... voluntarily subjected to the measures of quality assurance that prevail in the system", while academic staff should "give priority to the different learning needs, the academic progress and the personal well-being of all the students entrusted to their educational care and guidance". Students themselves, while having legitimate expectations and demands, should recognise that "the potential benefits of higher education offer a privilege which carries its own responsibilities" including playing a role in the "facilitation, and orderly continuation and transformation of academic programmes". Finally, the National Commission acknowledged legitimate interests in higher education held by external stakeholders who comprise "all the sectors and segments of a civil society that is knowledge-driven and knowledge-dependent".⁸

The philosophy of co-operative governance was given expression in policy through the 1997 White Paper and Higher Education Act. The White Paper, too, emphasises that the goals and challenges of South African higher education - and higher education transformation - must be pursued within a social justice frame and following a co-operative process. In pursuing co-operation and partnerships in governance, the White Paper cites the need to "reconceptualise the relationship between higher education and the state, civil society, and stakeholders, and among institutions ... The principle of democratisation requires that governance of the system of higher education and of individual institutions should be democratic, representative and participatory and characterised by mutual respect, tolerance and the maintenance of a well-ordered and peaceful community life. Structures and procedures should ensure that those affected by decisions have a say in making them, either directly or through elected representatives. It requires that decision-making processes at the systemic, institutional and departmental levels are transparent, and that those taking and implementing decisions are accountable for the manner in which they perform their duties and use resources"⁹.

The White Paper makes it clear, however, that this emphasis on reconceptualised relationships does not mean that all participants in governance have equal authority and responsibilities. At the system level, co-operative governance must rather be understood as a system of delineated powers and constraints that remain hierarchical, while incorporating checks and balances designed to preserve the degree of institutional autonomy necessary for academic freedom in teaching and research. The checks and balances exist at both system and institutional level and are informed by key principles set out in policy. Thus the principle of academic freedom is one of the primary checks of the system: as a fundamental right of the South African constitution, academic freedom signifies "the absence of outside interference, censure or obstacles in the pursuit and practice of academic work".¹⁰

The 1997 policy and legislation are clear that the state, in the form of the Minister of Education, is at the head of the hierarchy of authority and responsibility. The White

Paper specifies that government should have a "proactive, guiding and constructive role" in higher education.¹¹ It is also clear that this role justifies direct intervention in the interests of ensuring transformation or preventing mismanagement: "there is no moral basis for using the principle of institutional autonomy as a pretext for resisting democratic change or in defence of mismanagement". Indeed, the policy specifies that the state has an obligation to intervene in such circumstances, in the interests of public accountability: "institutional autonomy is therefore inextricably linked to the demands of public accountability".¹²

The White Paper interprets public accountability as comprising three imperatives. First, institutions must account for their expenditure of public funds. Second, universities and technikons must make public the results they have achieved in spending public money. And third, institutions should demonstrate how they have met national policy goals and priorities.¹³ Taken within the context of a commitment to co-operative governance and institutional autonomy, this means that the Minister cannot intervene on a whim; intervention can only be justified on fiduciary grounds, or if a public higher education institution is evidently not pursuing the policies for tertiary education which form part of the government's mandate. The White Paper is explicit about this: "it is the responsibility of higher education institutions to manage their own affairs. The Ministry has no responsibility or wish to micro-manage institutions. Nor is it desirable for the Ministry to be too prescriptive in the regulatory frameworks it establishes. Diversity and flexibility are important aspects of institutional responses to varying needs and circumstances. It is only in extreme circumstance that the Minister of Education, as the responsible representative of the elected government of the country, would consider intervening in order to assist to restore good order and legitimate governance and management in an institution".¹⁴

The 1997 Higher Education Act provides the Minister with a number of instruments with which to steer the tertiary sector. The major consultative mechanism is the Council on Higher Education and, in particular, its annual consultative conference. The Minister determines, in consultation with the Council on Higher Education and with the concurrence of the Minister of Finance, policy on the funding of public higher education, and allocates public funds to public higher education on a "fair and transparent basis"¹⁵. The Minister may investigate the affairs of an institution directly if there are indications of "financial or other maladministration of a serious nature", factors that "seriously undermine the effective functioning of the public higher education institution" or, more generally, such a direct investigation is in "the interests of higher education in an open and democratic society". Such investigations must be carried out by an Independent Assessor selected from a panel appointed by the Council on Higher Education, and the Independent Assessor's report must be published in the Government Gazette.¹⁶ The 1997 Act also gives the Minister the more extensive powers to estab-

lish a higher education institution, to "merge two or more public higher education institutions into a single public higher education institution", or to close an institution after consultation with the Council on Higher Education.¹⁷

While the Minister is at the head of the hierarchy of the system of higher education governance, linkage between autonomous institutions and the state does not take the form of direct accountability to the Minister, or to Parliament. Councils, as the supreme governing bodies of institutions, are accountable more broadly to civil society. Councils retain their linkage to the state through the fiduciary role that is played by external members of Council¹⁸. To this extent, South Africa follows the tradition of the English-speaking world that vests trusteeship in lay members of governing boards who represent the public interest. The Council may be seen as standing between the state and the individual institution, creating a form of indirect control that is one form of a state steering approach to higher education governance.

Co-operative governance, then, is a form of state supervision that relies on a political mode of co-ordination based on the participation of diverse stakeholders within a hierarchical system of authority, and with formal constraints on the exercise of power. Taken together, the report of the National Commission on Higher Education, the 1997 White Paper and the Higher Education Act, are a benchmark against which the consistency of government policy can be assessed. The publication of the Minister's National Plan for Higher Education in February 2001 marked both the first five years of the new policy and the Minister's determination that higher education governance would henceforth be stabilised. What has been the experience of co-operative governance in practice?

As we have seen, a key feature of the co-operative governance framework is its emphasis on institutional autonomy linked with public accountability.¹⁹ The National Commission noted the difficult dynamics of this requirement when it observed that "a shift in the overall direction of society requires leadership by the government, the only actor with powers of political co-ordination in society. This means there is always a possible tension between central government trying to assert authority directly to implement change, and the more indirect regulation and steering that is the trademark of co-operative governance".²⁰ Five years later, the National Plan makes it clear that, in the Ministry's view, an appropriate balance between institutional autonomy and public accountability has not been achieved.

The 1997 White Paper had committed the Ministry to the development of a "National Higher Education Plan" in consultation with the Council on Higher Education, and indicated that the Plan would "establish indicative targets for the size and shape of the system, overall growth and participation rates, and institutional and programme mixes,

which advance the vision, principles and policy goals for the system". In particular, the Plan would focus on "establishing new programmes; discouraging obsolete programmes; building new capacities; reshaping the institutional landscape; promoting individual and institutional redress and equity goals". This would be achieved primarily through "the targeted redistribution of the public subsidy" - through the removal of funding from some universities and technikons, and through additional support for others.²¹

The foundations for the 2001 National Plan were, therefore, explicitly laid five years before its publication. Yet while "co-operative governance" was based on a wish for a governance system in which institutions would participate voluntarily, it is clear from the National Plan that, in the Ministry's view, such co-operation had not been forthcoming by 2001. The Plan asserts that "voluntarism ... has failed to encourage institutional collaboration", and that policy has been undermined by the competitiveness of individual institutions: "the increased competition between higher education institutions has further fragmented and exacerbated the inequalities within the higher education system".²² The National Plan argues that unbridled market competition between institutions contradicts the policy framework "which aims to ensure ... greater responsiveness of higher education institutions to national needs. This is not to suggest that ... all forms of competition are detrimental to the well-being of the higher education system. On the contrary, the Ministry welcomes competition that promotes innovation and enhances quality. However, competition between institutions must be regulated within a national framework that promotes and facilitates the sustainability of the higher education system."²³

Consistent with this reassertion of the state's steering role, government has introduced a series of amendments to the 1997 Higher Education Act which, taken together, increase the Minister's powers of direct intervention at institutional level to a considerable degree. Thus the Higher Education Amendment Act (1999) allows for the appointment of an Administrator to a higher education institution if an audit of the financial records of an institution, or the report of an Independent Assessor, reveals "financial or other maladministration of a serious nature at a public higher education institution or the serious undermining of the effective functioning of a public higher education institution". Initially limited to an appointment for two consecutive six month periods, a further amendment in 2001 allows an Administrator to be appointed indefinitely.²⁴ Other amendments allow the Minister to direct the policy and practices of an individual institution by direct intervention. Thus the Higher Education Amendment Act of 2000 allows the Minister to "determine the scope and range of operations" of a university or technikon "in the interests of the higher education system as a whole". More specifically, an additional amendment in the following year allows the Minister to define "the physical location of an institution ... where the insti-

tution carries out its teaching and research activities".²⁵ The National Plan states that if the Ministry believes that direct intervention is required: "the Ministry will not ... hesitate in certain limited circumstances to intervene directly in the higher education system in order to ensure stability and sustainability ... Equally, the Ministry will not hesitate to intervene to ensure the implementation of national policy and transformation goals should this prove necessary ... The Ministry is acutely aware of the delicate balance that requires to be maintained between institutional autonomy and public accountability. It is committed to maintaining this balance. The Ministry believes that the solution to finding the appropriate balance must be determined in the context of our history and our future needs. The Ministry will not however, allow institutional autonomy to be used as a weapon to prevent change and transformation".²⁶

Other interventions have underscored government's determination to steer institutions towards greater public accountability as well as greater effectiveness and efficiency in the interest of the system as a whole. Mechanisms chosen for this include the three-year rolling plans submitted annually by all institutions to the Department of Education, as well as the new funding formula: "The Ministry will from 2003 directly link the funding of higher education institutions to the approval of institutional three-year 'rolling' plans, rather than the current practice whereby funding is mechanically determined by past student enrolment trends. This means, in effect, that from 2003, the approved institutional plans will determine the level of funding of each higher education institution."²⁷ The mechanisms extend to regulations for the registration of qualifications (currently under review) and the introduction of the quality assurance system for higher education, currently being rolled out by the Higher Education Quality Committee.

In addition, the Department of Education has issued the prototype for a new reporting standard - the *Manual for Annual Reporting of Technikons and Universities*.²⁸ This sets out financial reporting requirements according to South African Generally Accepted Accounting Practice (GAAP), and establishes a required framework in terms of the Higher Education Act. The Manual incorporates the principles of the King Report on corporate governance²⁹, and requires a broad range of contextual information for financial statements, as well as accompanying reports. Specifically, institutional Councils are required to "provide resources of the right quantity and quality and at the right price (economy); achieve the optimal balance between the outputs of products, services and other activities and the resources used to produce them (efficiency); achieve policy objectives, operational goals, and other intended effects (effectiveness); ensure that all activities are conducted according to accepted standards of commercial and social morality (ethically) and in accordance with relevant legislation".³⁰ The approach thus links financial accountability directly to the full range of operations of a public higher

education institution, and builds a wide bridge of communication from individual institutions (through the reporting of their Councils) to the Minister of Education.

Finally, the December 2001 report of the National Working Group³¹ provided a basis for Cabinet-approved proposals for the reconfiguration of public higher education institutions in May 2002, which are closely integrated with the goals of the 2001 National Plan³². Government intends these proposals "to herald the way for a system that is equitable in its distribution of resources and opportunities, [and that is] academically and financially sustainable and productive so that it can more effectively meet the teaching, skills development and research needs of our country ... Although there are clear strengths in the current system, the overall effectiveness and efficiency of the system are such that, in its current form, it cannot meet the demands that are being placed on it ... This is not a technical exercise to rearrange existing institutions into different configurations. Rather it is an exercise that will allow for the expansion of the system and turn it around to face the challenges of the African century".³³

Seen from the point of view of the state, then, the first five years of co-operative governance cannot be judged successful. Although the 1997 White Paper has been retained as the overall framework for governance, the Ministry has steadily moved towards a more directive form of state steering than that envisaged by the National Commission on Higher Education. At first glance, this appears to be contrary to international trends in higher education governance. A closer look, however, reveals that the evolving relationship between the state and higher education institutions in this country is consistent with more widespread patterns.

Systems of state supervision encompass a wide range of forms, including British higher education (particularly prior to the abolition of the Universities Grants Committee in 1988), both private and public universities and colleges in North America, and in some cases, Latin American, and continental European systems following the neo-liberal reforms of the 1990s. Nonetheless, general trends are evident, despite the fact that higher education systems have evolved within the specific contexts of nation states.³⁴ This convergence can be attributed to generally-shared factors such as substantial increases in participation in higher education, reduced public funding, increasing competitiveness between institutions, and the growth of private education provision. In response to these circumstances, direct state control has increasingly given way to state supervision, and existing state supervision models have been specifically shaped to accommodate quasi-market approaches to allocating resources, including incentive and performance funding, competitive allocation of research funding, and tuition fees.

In some cases, governance policies have embraced deregulation, with reduced controls over budget, fees, personnel and contracting, and have allowed greater institutional

autonomy over academic programmes and institutional governance. Alternatively, at times deregulation in one dimension has been matched by more stringent regulation in the other.³⁵ In general, though, governments have sought to achieve alignment of accountability and control over higher education by delegating to the institutional level increased authority over inputs and resource use, while increasing institutional accountability for output quality and performance.

The justification for such approaches to governance is that highly centralised management is generally less effective and efficient in rapidly changing, competitive environments. Deregulation shifts universities from being state agencies, subject to centralised laws and regulation governing budgets, facilities and personnel, to becoming public corporations.³⁶ This approach characterises higher education governance across the Americas, Asia, Europe as well as in parts of Africa.³⁷ A result of this pattern of change has been a shift in the emphases on governance. A key objective is now the efficiency with which institutions deliver teaching and research outputs. Fiscal tools are used to exert pressure on institutions and bring about change in the system, be that directly by means of terms and conditions attached to public funding (including funds from research and funding councils and from parastatals), or indirectly by exposing the institutions increasingly to the forces of the market (for example, by increasing the share of private funding, packing lay councils with corporate executives, and opening higher education up for private competitors).

These trends in higher education governance are often justified as market-oriented. In this argument, the market is seen as inherently more efficient and effective than state provision. However, earlier enthusiasm for such free-market principles is now being tempered by a greater degree of scepticism. In many higher education systems where governments have adopted neo-liberal models for managing universities and colleges, and have introduced performance-related incentives and penalties with requirements that institutions compete with one another and with the private sector for student enrolments and research funds, the state has retained controls over the types and varieties of educational "products" and "services" that "autonomous" institutions can offer, as well as over the pricing of educational qualifications through student fees. In addition, the state has often retained central control over other key variables, for example, retaining authority over academic and support staff salaries across the public high education system as a whole. As Trow has pointed out,³⁸ situations in which there are such controls over inputs and outputs can hardly be described as true markets. Amaral and Magalhaes describe this "false market" as the "Janus Head effect" in higher education governance. Thus the state maintains direct influence over higher education despite having conceded greater institutional autonomy, creating hybrid governance arrangements. In consequence, models of market regulation in higher education are in reality new instruments of public policy.³⁹

The differences between recent trends in South Africa and trends in other parts of the world are, we believe, more superficial than structural. Where South Africa has embraced a metaphor of co-operation - conceptualised as co-operative governance - many other countries have adopted the language of the free market. But where the South African state has exercised increasing control over higher education provision, in effect abandoning as impractical the consensual concepts of the early 1990s, so other systems have exercised varied forms of control over both inputs and outputs in their higher education systems that are hardly commensurate with the notion of services that are freely traded. In practice common determinants such as the need to increase participation while reducing state expenditure are causing approaches to governance to converge. In 1994, more than four decades of apartheid policies and bureaucracies had resulted in a higher education system that was unique in its peculiarities and inequities. Co-operative governance - presented as a uniquely South African concept that would combine social justice with transformation - was an important staging post in the transformation of the system. In 2002, the imperatives and tensions that determine the shape and practice of governance in South Africa have much in common with issues in a range of state steering systems in other parts of the world.

CONDITIONAL AUTONOMY

If, as we have argued here, the National Commission's vision of co-operative governance has foundered on hard realities, and if the concept of a free market in educational services is largely illusory, what other organising ideas for higher education governance can be used to shape policy and gain consensus in practice? It seems to us that the key issue is institutional autonomy, and that the degrees and conditions of institutional autonomy can be used to categorise forms of higher education governance in different parts of the world. Thus, and by definition, there is no institutional autonomy in a system of state control. At the other end of the spectrum, there are no obvious examples of systems in which there is complete institutional autonomy since, at a minimum, national or regional governments exercise control over the recognition of higher education qualifications. Between these poles is a significant range of possibilities in which the relationship between individual institutions and their external control is often contested, and where systems of governance can be negotiated. The form of such contestation and negotiation naturally takes localised forms, whether the intense debate in South Africa around the institutional mergers recommended by the National Working Group in December 2001, or the widespread contestation of the role of the Quality Assurance Agency in British higher education. But the underlying issue is the same - what is the proper balance between institutional autonomy and the steering role of the state, and how can the often-complex factors that determine this balance be negotiated, defined and translated into everyday practice?

In considering this, it is first necessary to address some assumptions that cloud the issue. As a consequence of South Africa's history, and because of the association made between South African universities and the trustee systems of governance that are characteristic of the English-speaking world, it is often assumed that a high degree of institutional autonomy within a system of indirect state steering is a necessary condition for both academic freedom and for a viable system of higher education. Yet this is not necessarily the case. Firstly, many countries have highly viable systems of higher education where there is direct control by the state - these include France and Norway. Secondly, as touched on earlier, the move towards institutional autonomy in some countries, including the United Kingdom and parts of Latin America, are in reality attempts to increase the degree of state control in the face of increased student enrolments and the declining ability (or willingness) of the state to maintain unit costs of subsidisation. In this approach, the state keeps control over factors such as student fee levels, staff salaries and educational qualifications, while using the argument of autonomy to increase competition and thereby drive down unit costs. Such policies cannot be described as creating real markets for education.

Further, the case for institutional autonomy in dominant economies such as those of Europe and North America does not necessarily rest on the same arguments as in countries such as South Africa. Countries such as the United Kingdom, the United States and Australia, have high participation rates and, increasingly, knowledge economies in which there is the capacity for high levels of personal investment in specialised, higher-level qualifications. These countries can sell spare capacity in higher education to wealthy international students who are prepared and able to pay a high premium for qualifications which will grant them access to first world employment. The needs of developing countries, faced with massive social exclusion and their particular economic imperatives, may be very different, and recent neo-liberal trends in higher education governance at the national level may not be applicable.

In addition, there is no automatic correlation between institutional autonomy and academic freedom. In the United Kingdom, surveys have revealed that one in ten British academics has faced pressure to alter, suppress or delay research findings, and that almost a quarter of respondents were concerned about the maintenance of their academic freedom.⁴⁰ In the United States, there is growing concern about infringements of academic freedom in the face of new American domestic and foreign policies. Conversely, it is notable that major intellectual directions in late twentieth-century thought, including neo-Marxism, structuralism, deconstruction and approaches to the dissection of state power, originated in France after the 1968 student uprising, and within a system of higher education in which the state continued to exercise direct control.

These points made, a good case can be made for indirect state steering and a high degree of institutional autonomy in developing countries, although it does not rest on the belief that the market must reign supreme. A foundation for this case was laid by Neave and Van Vught, who argued that "government regulation may be analysed by asking what pattern of decision-making is appropriate in the light of the specific characteristics of the context in which it will be used".⁴¹ They suggested that government strategies of rational planning and control require state capacity to evaluate all conceivable consequences and alternatives in the light of holistic state-determined objectives, and to assume that knowledge of the "object of regulation" - the university or technikon - is firm, and control over it complete. In contrast, self-regulation recognises that knowledge is uncertain, and that the best way to deal with this is through monitoring the performance of the self-regulating decision-making units.

In practical terms, a top-down, rational planning approach would require a large Department of Education with the capacity to analyse a continual flow of data from all higher education institutions, and induce from this data a series of scenarios that could be accurately rated for their probability of success. Such an approach would also require that information provided by institutions be comprehensive and accurate.

Perhaps more pertinently, effective state control would require that the primary variables determining the shape and size of each higher education institution could be predicted with a reasonable degree of certainty. These requirements are almost impossible to meet in developing countries, meaning they are better adapted to self-regulating systems that are flexible and responsive enough to meet the demands of an uncertain environment. A South African example illustrates the point. Here primary and secondary school education are still in the early stages of post-apartheid reconstruction. Thus in 1996 the National Commission on Higher Education published a model for the "massification" of South African Higher Education predicting that by 2005 at least 222 000 students would graduate from high school with a matriculation exemption allowing them to apply for places in the higher education system.⁴² However, the trend in the number of matriculants with exemption went the other way, and by 2002 there was less than a third of the predicted pool for enrolment into higher education. Developing countries such as South Africa experience fluctuations in economic fortune caused by their sensitivity to global changes. Predicting the primary national variables that affect higher education is difficult enough in sophisticated economies with highly developed information management systems; it is effectively impossible in developing economies.

The combination of the heavy hand of government regulation, poor quality information and a highly uncertain environment is likely to have a deleterious effect on higher education, as the recent history of universities in both Latin America and Africa has

shown. Thus Levy writes that, "contrary to expectations derived from literature on authoritarian Mexican politics, the state control model fails to depict most basic dynamics of government-university relations. Though autonomy often proves more limited in reality than in law, the same holds for government authority. The state does not mould the university to its image. It does not set strong, standard national policies on access, curriculum, degrees, examinations, personnel, or financial allocations ... But neither has the university resolutely shaped itself. Lack of strong, corporate management of universities means that Mexico cannot approach state supervision from a British or US starting point either ... A great deal of policy - and lack of it - results from 'non-decisions'; academically desirable policy remains infeasible while 'policy' amounts largely to ad hoc response to demands, interests and vetoes".⁴³ Hayward summarises higher education in sub-Saharan Africa in the second half of the twentieth century as follows: "the post-independence period saw major changes in the direction and fortunes of higher education in Africa. The period of the 1960s was one of euphoria, hope and romanticism. Higher education was the future, the key to development and well-being. By the 1970s, expectations were somewhat dampened, stung by the wave of military coups starting in Ghana in 1966 and spreading to almost every other country in Africa by the 1970s, and confronted by the growing politicisation of higher education. By the 1980s, disillusionment and decline were the norm. Higher education was besieged by a seemingly endless economic crisis coupled with widespread political instability and repression. The decay of many of Africa's campuses continued, overcrowding became an increasingly vexing problem, and the quality of colleges and universities in most parts of Africa continued to fall."⁴⁴

There is, then, every indication that direct state control of higher education is not effective in developing countries, and may be the cause of acute disadvantages which undermine the ability of higher education institutions to meet their primary goals of promoting economic development, social justice and the interests of civil society. However, it is also apparent that the quasi-market analogies favoured in places such as the United Kingdom, United States and Australia are equally inappropriate, and may bring serious problems of their own.⁴⁵

The need for a finer definition of forms of state steering and institutional autonomy has been recognised in recent policy positions for higher education in sub-Saharan Africa. Thus the 2000 report *Higher Education in Developing Countries: Peril and Promise*, concluded that "government guidance is an essential part of the solution".⁴⁶ However, the oversight role of governments on a system-level should be mediated by means of "buffer mechanisms" such as councils of higher education that advise government on issues such as size, shape, funding, quality assurance, promotion mechanisms and accreditation in higher education, and research councils that fund and promote research. Practical recommendations of the report included:

- A national vision for higher education;
- A stratified system that can marry excellence with massification;
- Stable long-term funding particularly from public sources;
- A degree of competition that rewards merit and performance and promotes innovation and quality;
- Flexibility with regards to student enrolments and the demands of the labour market;
- Well-defined standards;
- Immunity from political manipulation;
- Well-defined links with other sectors, particularly the secondary and primary school system, and with other public and private entities;
- Supportive legal and regulatory structure.⁴⁷

In this approach, the state plays a facilitative and directive function on a system level, without encroaching on academic freedom and the autonomy of individual institutions. The state thus protects the public interest and uses policy instruments including buffer bodies such as funding agencies and professional councils to direct the development of universities. Participation in governance is seen as "a necessity": "it arises from the concept of relative experience and aims to ensure that decisions are devolved to those who are best qualified to make them. At the system level, it entails giving institutions or their advocates a role in shaping national higher education policy. At the institutional level, it ensures that faculty are given a meaningful voice in determining policy. This applies particularly to educational policy, and especially to curriculum development and academic appointments."⁴⁸ Thus independent governing councils should play the role of the buffer between the legitimate public interest and sponsors, and the higher education institution. Senates should have the power to decide on "selected matters of academic policy, such as programmes offered, curricula, degree requirements, and admission policy." The security of employment of academic staff is important with regards to academic freedom and innovation. In highly politicised environments, security of employment may also play a role in the ability of faculty to participate freely in the governance of the institution. Moreover, academic staff must be paid adequately in order to produce quality higher education since inadequate pay may lead to 'moonlighting'.⁴⁹

It can be concluded, then, that there is a strong case for institutional autonomy in countries such as South Africa, but that this rests on a different set of premises from the arguments for unbundling, commercialisation, competition and the substitution of profit for public revenue that have held the day in policy debates in highly developed economies. Neave and Van Vught's conclusion of a decade past still applies: "irrespective of the dimension or level to which it is applied, autonomy is a powerful, pervasive and central construct. It is powerful because it allies both the ideal of what

ought to be with the concrete of what is. It is pervasive because in varying forms and through myriad organisational patterns, it permeates the way in which academic work is carried out ... It is central because, whether by its presence or by default, it acts as a referential point in determining - and also in classifying - the nature of authority exercised within the institution and outwards in the relations between the institution and public authority".⁵⁰

The question remains: how can institutional autonomy and the facilitative and directive role of the state be conceptualised for the purposes of practical, day-by-day policies? A possible answer lies in a more nuanced conceptualisation of the complex notion of autonomy, which in turn guides appropriate assignment of roles to state and institutions in system-level governance.

Robert Berdhal suggests that "taken most simply, autonomy in its complete sense means that power to govern without outside controls, and accountability means the requirement to demonstrate responsible actions to some external constituenc(y)ies. In theory, the argument has been made that there is no necessary incompatibility between being both highly autonomous and rigorously accountable; in practice, one senses that usually where more accountability is required, less autonomy remains. The ideal to be sought seems clearly a balance of both conditions".⁵¹

Berdhal argues that a starting point for achieving such a balance is provided by distinguishing the constituent parts of autonomy. These can be defined, he suggests, as:

- Substantive autonomy: "the power of the university or college in its corporate form to determine its own goals and programmes ... the *what* of academe";
- Procedural autonomy: "the power of the university or college in its corporate form to determine the means by which its goals and programmes will be pursued - the *how* of academe".⁵²

On the one hand, these concepts serve as a traditional classification within higher education. On the other hand, they can be used flexibly in order to map out the respective terrains of institutions and the state. Thus these concepts provide the basis for negotiating a proper balance in the respective roles and responsibilities of the state and higher education institutions, including defining the "essential ingredients"⁵³ of autonomy, the most desirable form of co-ordination within the system⁵⁴, and the possible domains of policy steering or regulation. A governance system incorporating the highest degree of institutional autonomy would presumably allow both substantive and considerable procedural autonomy to the institutions. This is perhaps what is suggested by a "pure" market model of higher education. However this leaves little facilitative and directive power for the state. Removal of substantive autonomy to any significant degree imme-

diately impinges on academic freedom, suggesting that the principal locus of facilitative and directive power is in procedural controls: state steering of procedural controls can condition substantive autonomy at institutional level.

What is needed, then, is a concept that moves beyond the idea of procedural and substantive autonomy as independent variables, and recognises that what is crucial is their particular combination. This quality is captured in the concept of "conditional autonomy".⁵⁵

Thinking in terms of conditional autonomy allows recognition that, while institutions retain substantive autonomy (and their right to academic freedom), their procedural autonomy is tempered through state controls over such key procedures as funding and accreditation, in support of national policy objectives. The mode of co-ordination can be predominantly political or market driven, depending on the system, and is likely to incorporate an element of bureaucratic co-ordination as well (self evidently, given the nature of procedural controls).

Gomes has shown that this is a valuable distinction in understanding policy directions in contemporary Brazil. Here, the federal universities have enjoyed considerable freedom in determining their own goals and academic programmes (substantive autonomy), while since 1996 the Ministry of Education has sought to strengthen its ability to direct the higher education system through new approaches to funding and contractualisation (thus reducing the procedural autonomy of individual institutions).⁵⁶

Such conditional autonomy is evident in the contemporary higher education systems of other Latin American countries as well. Thus Monica Marquina and Leandro Haberfeld have described the "golden years" of Argentinean universities as "great academic and institutional autonomy; a democratic tripartite university governance structure, composed of professors, alumni, and students; periodic competitions to select professors; a free tuition policy; and a budget decided and allocated each year by the parliament".⁵⁷ However, the 1990s saw a redefinition of the relationship between the state and higher education: "the former image of universities as a repository of society's critical consciousness, distant from the state and, at times, from society itself, is being relinquished in favour of a more active role linked to economic development".⁵⁸ Chilean higher education has seen two waves of reforms. The first generation of reforms were in the early 1980s, and centred on cost recovery in public institutions, measures of institutional performance against government funding, evaluation systems, the strengthening of vocational training, institutional diversification, and privatisation. More recent reforms have largely been in response to problems caused by the neo-liberal model. Thus public funding has been available to middle-class university students, but not to lower-class vocational students, cost recovery has put great pres-

sure on public universities to survive in a competitive environment, there has been widening variation in quality standards, and there have been notable market failures. "The unifying motive between the new batch of reforms appears to be reclaiming a role for the state in the regulation of the higher education system, after the disorderly retreat of the 1980s. The market will remain the main mechanism for co-ordination, but the government will assume a much more active role in ensuring the production of public goods, setting standards for quality and monitoring their application, disseminating information, defining priorities for the allocation of funds, and ensuring that institutional commitments are honoured".⁵⁹

As with other national systems, then, the evolution of South African higher education policy from the publication of the White Paper in 1997 to the release of the National Plan for Higher Education in 2001 marks a path from a comparatively loose system of state steering, with guarantees of autonomy, block grant funding and the expectation of self-regulation by individual institutions, to a system of conditional autonomy in which substantive autonomy (academic freedom) continues to be guaranteed while the state exercises increasing control over procedures of funding and academic accreditation. This trajectory reflects increasing recognition by government that co-operation as a governance mechanism requires the state to exert its power of political co-ordination more, rather than less, and using quite specific policy instruments. The mechanisms for increased procedural control by the state are, primarily, new policy for funding that will allocate subsidies prospectively and according to a set of targets for student registrations which are derived from the Department of Education's perception of national need; the regulation, accreditation and quality control of qualifications through the South African Qualifications Authority and the Higher Education Quality Committee of the Council on Higher Education; refined protocols for institutional reporting to the Department of Education; and the amendments to the 1997 Higher Education Act that allow the Minister to intervene directly in the affairs of an institution in the interests of system-level planning and in cases of institutional failure.

This evolution, while logical and to be expected (the 1997 White Paper advertised the state's intentions) implies a need to revisit the principles that underlie the co-operative governance framework and to reassert or adjust them as appropriate. Re-evaluation of the values and principles underpinning policy (such as "academic freedom" and "institutional autonomy" in the 1997 White Paper), could in turn lead to re-evaluation of the roles, responsibilities and even structures needed to support them, at both system and institutional levels.

For example, if conditional autonomy as a framework is to prove an effective balance between, on the one hand, the needs of the state to direct higher education in the interests of development and, on the other hand, the needs of institutions to preserve and

defend an environment in which teaching and research can prosper without outside interference, then it would be important to reassert those aspects of the 1997 White Paper and Higher Education Act that entrenched, for the first time, the constitutional right to academic freedom in higher education across the system. Furthermore, given that the bicameral system of governance on which higher education is based in South Africa and elsewhere is as essential to conditional autonomy as it is to other forms of governance, it could be important to re-evaluate the basis of an effective balance between the civic accountabilities of Councils and the academic responsibilities of Senates.

Examples such as these are at the heart of higher education practice. The balance between considerations such as the national interest and institutional autonomy, directed research and academic freedom, and the collegial governance tradition of Senates and the fiduciary responsibilities of Councils, will determine whether or not South Africa continues to have a viable system of technikons and universities. We have concluded that the principles of co-operative governance, while important for their time, no longer serve well in underpinning the determination of issues such as these. We have argued that the concept of conditional autonomy may provide a more appropriate framework. But this, of course, should neither be assumed nor taken on trust. In the same way that the concept of co-operative governance was developed through a process of wide consultation, discussion and debate, so should the principles underpinning higher education policy be revisited to take account of changed circumstances.

CONCLUSION

The test of an organising concept is the value of the discourse that it promotes. In this paper, we have argued that the concept of co-operative governance was developed in the context of South Africa's democratic settlement during the early 1990s, and served to promote a participatory discourse among a wide range of interests in a deeply fractured higher education system. This enabled deadlocks in governance to be resolved, new policy and legislation to be introduced, and a programme of transformation to be initiated. What, then, could be the value of a discourse founded on the concept of conditional autonomy?

In our view, the primary value of the idea of conditional autonomy is its incorporation of both the substantive and procedural dimensions of the relationship between individual institutions and the state. The idea of co-operative governance emphasises substantive issues, giving primacy to social justice and demoting technical considerations to the status of secondary considerations. Moja and Hayward⁶⁰ have described this as a political necessity that disarmed apartheid-era technocrats who, it was feared, would disable transformation through procedural subversion. In retrospect, it seems to us that

that this weighting has had the unintended consequence of underestimating the importance of procedural capacity in enabling the rhetoric of transformation to be translated into delivery.

This schism accounts for some of the different positions that have been taken in the public debate following the release of the National Plan for Higher Education in February 2001 and, particularly, the report of the National Working Group at the end of that year. On the one hand, influential public intellectuals have decried proposals for restructuring higher education, seeing these as a betrayal of transformation. Their argument emphasises the substantive issues of institutional autonomy. On the other hand, the Minister has insisted on his obligation to ensure the efficient and effective use of public funds, stressing procedural considerations. While co-operative governance does not easily bring these two dimensions into the same discourse, the idea of conditional autonomy insists that they are two sides of the same coin.

In a similar way, the concept of conditional autonomy can, we believe, result in a more appropriate identification of the consequences of policy directions for higher education. While it has not been possible in this paper to explore in any depth the key concept of academic freedom, it is notable that most debate in this area is in substantive terms. Thus it is often argued that any increased role of the state in the affairs of individual institutions must be resisted in principle, in order to defend the right of a university community to carry out research and teaching without outside interference. Cast in these terms, the National Plan for Higher Education, along with any mechanism for state steering or quality assurance, is anathema. At the same time, though, issues such as funding, subsidy formulas and the registration of qualifications are seen as secondary, "technicist" considerations. However principled such an approach may be, it is hardly pragmatic. In public higher education systems such as South Africa's, where the majority of university and technikon funding still comes from the state, there is little point in a victory in principle if the state declines to fund an institution's programmes. This imbalance is evident in the different levels of reaction to different aspects of the 2001 National Plan. For whereas the state's intention to restructure the sector, closing a number of institutions through mergers, provoked widespread comment and debate, comparatively little attention was given to the new funding formula for higher education that was published at the same time. This new system, if implemented, will be a radical departure from current, retrospective, funding of student places, and will allow the Minister to decide how many student places to fund in each programme, at every institution. In our view, this approach to the distribution of state subsidy will have a profound effect on institutional autonomy, and on academic freedom. The concept of conditional autonomy, with its equal emphasis on both substantive issues and on procedural issues such as the state's subsidy formula, can result in a

discourse that embraces all the primary determinants of higher education policy and practice.

The idea of conditional autonomy, then, recognises both that institutional autonomy is central to a viable university and technikon sector, and that the state is a legitimate agency in public higher education, with a political responsibility to ensure the public good, and a fiduciary responsibility for the use of public funds. Rather than setting up barricades of principle that tend towards polarisation, conditional autonomy provides a framework of discourse that allows these complex issues to be negotiated to common benefit. We believe that this will provide a constructive basis on which to move forward as the National Plan for Higher Education is implemented in the years to come.

Notes

- ¹ By 1988 all 36 higher education institutions making up the South African public higher education system as at the beginning of 2002, had been established. An analysis of the divisions of this system is given in Cooper, D. and G. Subotzky (2001). *The Skewed Revolution: Trends in South African Higher Education, 1988-1998*. Bellville, Education Policy Unit, University of the Western Cape.
- ² While characterised by the National Commission on Higher Education as a "state interference" system, higher education prior to 1994 was more a combination of direct state control and pronounced institutional autonomy: National Commission on Higher Education (NCHE) (1996). *Report: A Framework for Transformation*. Pretoria, HSRC Publications: 175-6.
- ³ Moja, T. and F. Hayward (2000). "Higher education policy development in contemporary South Africa." *Higher Education Policy* 13: 351.
- ⁴ The legal framework is formally constituted in the Higher Education Act of 1997 (which has been subsequently amended in 1999, 2000 and 2001). The policy framework, which informs and amplifies the legislation, is set out in the 1997 White Paper on Higher Education (and has been supplemented by the 2001 National Plan for Higher Education). Taken together, and supplemented with each institution's own Statute, the documentation and legislation define the system of higher education governance. Full references to the documents are given in the notes that follow.
- ⁵ NCHE 1996: 199.
- ⁶ NCHE 1996: 175.
- ⁷ Burton Clark suggests there are four possible modes of co-ordination: bureaucratic, political, oligarchic and market. See Clark, B. (1983). "Governing the higher education system." In M. Shattock: *The Structure and Governance of Higher Education*. Guildford, Society for Research into Higher Education: 30.

- ⁸ NCHE 1996:177-179.
- ⁹ Department of Education (1997). "A Programme for the Transformation of Higher Education". Education White Paper 3. Government Gazette No. 18207, 15 August 1997. Pretoria, Government Printers: Sections 1.13 and 1.19.
- ¹⁰ White Paper 1997: Section 1.23.
- ¹¹ White Paper 1997: Section 3.7.
- ¹² White Paper 1997: Section 1.24.
- ¹³ White Paper 1997: Section 1.25.
- ¹⁴ White Paper 1997: Section 3.33.
- ¹⁵ Republic of South Africa (1997). Higher Education Act No. 101 of 1997. Government Gazette No. 18515, Notice 1655, 19 December 1997. Pretoria, Government Printers: Section 39.
- ¹⁶ Higher Education Act 1997: Sections 44, 45 and 47.
- ¹⁷ Higher Education Act 1997: Sections 20, 23 and 24.
- ¹⁸ While the Higher Education Act of 1997 requires that 60% of Council members be external, and that up to five be ministerial appointees, individual institutions are thereafter given considerable latitude to determine from which constituencies external members are drawn. External members of Council reflect a range of backgrounds, equity profiles, competencies and perspectives, but do not act on Council as mandated stakeholder representatives.
- ¹⁹ White Paper 1997: Section 3.7.
- ²⁰ NCHE 1996: Section 4.2.
- ²¹ White Paper 1997: Sections 2.10, 2.26.
- ²² Ministry of Education (2001). National Plan for Higher Education. Pretoria, Ministry of Education: Sections 6.4, 1.3.
- ²³ NPHE 2001: Section 1.3.
- ²⁴ Republic of South Africa (1999). Higher Education Amendment Act No. 55 of 1999. Government Gazette No. 20651, Notice 1399, 19 November 2000. Pretoria, Government Printers: Section 6; Republic of South Africa (2001). Higher Education Amendment Act No. 23 of 2001. Government Gazette No. 22808, Notice 1104, 02 November 2001. Pretoria, Government Printers: Section 15.

- ²⁵ Republic of South Africa (2000). Higher Education Amendment Act No. 54 of 2000. Government Gazette No. 21784, Notice 1196, 22 November 2000. Pretoria, Government Printers: Section 2; Higher Education Amendment Act 2001: Section 24. Through the introduction of a new clause to the Higher Education Act (Section 65A), the "seat" of an institution is defined as "the physical location of an institution ... where the institution carries out its teaching and research activities". Section 65A requires that this is defined in the Institutional Statute, that the Minister's approval must be obtained before teaching and research activities are carried out elsewhere, and that, where such extensions fall within the seat of another higher education institution, that institution must be consulted. Additional clauses in the 2001 amendment allow for the appointment of an Interim Council for a higher education institution for two consecutive periods of six months, and repeal the various university Private Acts.
- ²⁶ NPHE 2001: Section 1.5.
- ²⁷ NPHE 2001: Section 1.5.
- ²⁸ Department of Education (2001). Manual for Annual Reporting of Higher Education Institutions 2nd Edition (Revised Draft). Pretoria, Department of Education.
- ²⁹ These have been set out most recently in King Committee on Corporate Governance (2002). King Report on Corporate Governance for South Africa 2002 ("King II Report"). Parktown, Institute of Directors in Southern Africa.
- ³⁰ DOE Manual for Annual Reporting 2001: Section 1.1.
- ³¹ Department of Education (2001). The Restructuring of the Higher Education System in South Africa. Pretoria, Department of Education.
- ³² "The Transformation and Reconstruction of the Higher Education System": Introduction (document attached to Press statement by the Minister of Education, Professor Kader Asmal, MP, on the Transformation and Reconstruction of the Higher Education System, 30 May 2002. Pretoria.
- ³³ Press statement by the Minister of Education, 30 May 2002.
- ³⁴ Dill, D. (2001). "The regulation of public research universities: changes in academic competition and implications for university autonomy and accountability." Higher Education Policy 14: 21-35.
- ³⁵ Dill 2001: 23-29.
- ³⁶ Dill 2001.
- ³⁷ Examples include reforms in Chile under the aegis of the military dictatorship in the early 1980s; the Spanish University Reform Act of 1983; legislation in the Netherlands in 1986 and again in 1997, reversing earlier trends in higher education governance; the British Education Reform Act of 1988; the Australian Higher Education Policy Statement and

Unified National System of 1988; reforms of many state-level governing boards in the United States in the late 1980s and early 1990s, in order to achieve greater accountability and cost-savings by public higher education institutions; the Austrian University Organisation Act of 1993; the Danish University Act of the same year; the Norwegian Act on Universities and Colleges of 1996; the adoption of a policy of corporatisation of state-controlled universities in Malaysia; new legislation in Brazil in 1996; in Japan, with the 1998 report *A Vision for Universities in the 21st Century and Reform Measures*; and in sub-Saharan Africa, with the release of the World Bank/UNESCO Task Force on Higher Education report, *Higher Education in Developing Countries: Peril and Promise*.

- ³⁸ Trow, M. (1996). "Trust, markets, and accountability in higher education: a comparative perspective." *Higher Education Policy* 9(4): 309-324.
- ³⁹ Amaral, A. and A. Magalhaes (2001). "On markets, autonomy and regulation: the Janus Head revisited." *Higher Education Policy* 14: 7-20.
- ⁴⁰ Baty, P. "Research restrained" in *Times Higher Education Supplement*, 8 March 2002. London.
- ⁴¹ Neave, G. and F. van Vught (1994). "Government and higher education in developing nations: a conceptual framework" in *Government and Higher Education Relationships Across Three Continents*. Oxford, Pergamon: 4.
- ⁴² NCHE 1996: 61-3, with reference to Simkins, C.E.W. (1996), "The financing of higher education in the year 2005".
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- ⁴⁴ Hayward, F. M. (1997). "Higher Education in Africa: Crisis and Transformation" in Madeleine Greene: *Transforming Higher Education: Views from Leaders around the World*. Phoenix, American Council on Education and The Oryx Press: 106.
- ⁴⁵ One such set of problems is likely to stem from unregulated privatisation. Private universities, making use of international capital, are naturally interested in recruiting those students in developing contexts who are able to pay high fees. This leaves the state sector with proportionally increased costs for supporting poor students, and for dealing with issues of social justice in general. Alternatively, universities in the United Kingdom, United States and Australia that recruit aggressively overseas aim to siphon students from wealthy families in developing countries, aggravating domestic difficulties in achieving an equitable balance between fee revenues and state subsidies.
- ⁴⁶ Task Force on Higher Education (2000). *Higher Education in Developing Countries: Peril and Promise*. Washington, World Bank: 58.
- ⁴⁷ The Task Force on Higher Education, World Bank, 2000.

- ⁴⁸ The Task Force on Higher Education, World Bank, 2000: 60.
- ⁴⁹ The Task Force on Higher Education, World Bank, 2000: 66.
- ⁵⁰ Neave and Van Vught 1994: 8.
- ⁵¹ Berdahl, R. (1990). "Academic freedom, autonomy and accountability in British universities." *Studies in Higher Education* 15(2): 171.
- ⁵² Berdhal 1990: 172.
- ⁵³ Berdahl 1990: 172. Following Ashby 1966, Berdahl suggests these "essential ingredients" include: freedom to select staff and students and determine conditions under which they remain; freedom to determine curriculum content and degree standards; and freedom to allocate funds within amounts available across different categories of expenditures. However, the point is that such ingredients may very well not be generic across systems.
- ⁵⁴ Berdhal 1990: 174-5. Berdahl refers to the four modes of co-ordination following Clark 1979 - i.e. those alluded to earlier in this paper, drawing on Clark 1983.
- ⁵⁵ The term "conditional autonomy" was suggested to us by Gomes (see Gomes, A. (2000). "Higher education autonomy policy and Brazil: changing the relationship between the state and higher education." *Higher Education Review* 32(2): 35-59).
- ⁵⁶ Gomes 2000. Brazilian universities earlier enjoyed considerable degrees of political autonomy, while remaining restricted in management of resources, personnel policies and broad academic policies. In 1988, the new Brazilian constitution gave universities autonomy in academic and some administrative matters, while retaining control through fixed pay scales, tight regulation of the professions, and other factors. Also see Schwartzman, S. and L. Klein (1994). "Brazil: Higher education and government" in G. Neave and F. Van Vught: *Government and Higher Education Relationships Across Three Continents*. Oxford, Pergamon: 210-224.
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- ⁶⁰ Moja and Hayward 2000.

WOULD MOVING FROM CO-OPERATIVE GOVERNANCE TO CONDITIONAL AUTONOMY CONTRIBUTE TO EFFECTIVE GOVERNANCE?

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BACKGROUND

One area that was highly contested during the policy debates phase and continues to be an issue in the transformation of higher education is governance at both institutional and national levels. The Higher Education Act of 1997 was criticised by some opponents for leaving too much power in the hands of the Minister. Within two years and yearly thereafter the act has been amended to increase the power of the Minister. It is in this context that the Minister of Education concerned over the power struggles in the system "requested the CHE to advise him on governance of higher education institutions by June 2002" (CHE, 2002). The Council on Higher Education (CHE) commissioned a report called "Governance in South African Higher Education" (Hall, Symes and Luescher, 2002) which posits its primary objectives to be: "the description and analysis of the present state of governance in South African higher education; an analysis and re-examination of the concept of co-operative governance; and the development of proposals for the improvement of efficiency, effectiveness and accountability in higher education governance" (p.8).

This review comments on the main strengths of the report, identify important issues not addressed and assess whether the proposed new model of governance could contribute to more effective governance.

CONTRIBUTIONS TO POLICY DEBATES

The main strength of the report is the study of governance and power relations at 12 institutions. It adds further insight to the 'styles of leadership' developed by Kulati and Moja (in Cloete et al 2002) and elaborates the governance indicators developed by Cloete, Bunting and Bunting (2002). Another important contribution is a different approach in understanding the two dimensions of effectiveness and delegation as two axes that allows for a way to draw a graph that plots an interaction between functional and unstable governance.

The ambitious objectives, similar to other South African education policy work (Cloete et al 2002; Jansen 2001) promise more than what is delivered. The study does not deal with the all important systemic governance relationships, which effects not only interactions between government and institutions, but relations within institutions. Based on a study of a limited set of governance (and leadership or management) activities within the 12 higher education institutions and a brief review of governance policy and legislation, the policy report made 21 recommendations on institutional governance, two general recommendations on the promotion of good governance, and stressed the need for a code of governance in institutions. The shift in the focus of the report from institutions to a proposal on a new "model" of governance called "conditional autonomy" to regulate the relationship between government and higher education institutions as a group (with implications for the entire system) seems not to be informed by the study itself.

The report describes, in considerable detail, four 'types of governance', that is emerging within institutions. Whether these are internal governance types or leadership styles as described by Kulati and Moja (2002) is not always clear since the governance practices and the leadership style are so intertwined. The four types described in the document are the "contested" (25% of institutions), "management-focussed" (33%), democratic (33%) and democratic well-managed (9%) institutions. This categorisation is rather similar to the 'three emerging approaches to leadership' described by Kulati and Moja (2002) crisis, managerial and transformative leadership. The Kulati and Moja transformative leadership category includes a subcategory called 'transformative managerialism' which is even more uncannily similar to the 'democratic well managed' category of the report. Since the two studies do not refer to each other, it seems that two independent investigations with different methodologies came to remarkably similar conclusions about the state of institutional governance in South Africa.

The study could be read to mean that 75% of the sample studied (management and democratic) is relatively well governed and that 42% (democratic) are operating broadly within the White Paper's (1997) policy of co-operative governance. By comparison to international practice the high percentage of higher education institutions operating within a framework of representative and participative democracy is quite remarkable. Rather than celebrating this achievement, and making recommendations as to how some of the good practices of the democratic institutions can be transferred to the less well functioning ones, one of the main conclusions of the study is that: " the concept of co-operative governance, as defined in the earlier 1990s, is now in danger of becoming a hindrance that confuses policy and inhibits the development of good practice" (p.108).

What is problematic about the study is that it studied internal institutional governance and management styles but concluded that the present model of co-operative governance for the higher education system as a whole is a failure. It then proceeded to make recommendations relating to the introduction of the model of conditional autonomy as the foundation of the relationship between higher education institutions as a group and government, with much wider implications for the governance of the higher education sector. No mention is made in the proposed model of conditional autonomy of the role and place of the CHE and the relationship between the CHE and government.

Another puzzling conclusion is that: "despite a generally negative view of the prospects for Institutional Forums, a broader interpretation of governance in practice, particularly when coupled with the critical assessment of the current functioning of Councils, does suggest an important and continuing role for the Institutional Forum" (p.86). While questioning the usefulness of co-operative governance, and referring to their own empirical research that a central aspect of institutional co-operative governance, the Institutional Forum, is not working, the authors nevertheless recommend that the Forums be continued. It is difficult not to conclude once more that the recommendations of the authors are not informed by the empirical evidence of their own study, or by their new "model" of governance.

SLIPPAGE BETWEEN STATE STEERING AND STATE CONTROL

A study of governance in the higher education sector needs to include other central components of co-operative governance at the systemic level, meaning the interactions between the government and the statutory advisory body (CHE); the relationship between national interest organisations and government; and the relationship between government and institutions.

A major shortcoming of the Hall et al (2002) report is the omission of the dynamics of relationships at national level. The statutory body, the CHE, and national interest bodies such as the South African University Vice Chancellors' Association (SAUVCA) and Committee of Technikon Principals (CTP) are left out of an investigation that has important policy implications for governance of the sector. This limitation, despite the encompassing title, is partially conceded within the report, "The investigation excluded any evaluation of a range of issues forming part of the wider context of higher education governance" (p.11).

Co-operative governance as conceptualised in the National Commission on Higher Education report (1996) is framed within the notion of the new state. The co-operative governance approach made a clear choice between three models regarding the relationship between government and higher education institutions. Model one; *State*

control, is premised on effective and systematic state administration of higher education executed by a professional and competent civil service - the 'continental model' characteristic of Western Europe in the twentieth century. Model two; *State supervision*, is founded on less centralist forms of control. The locus of power shifts from 'centralised control' to 'steering' in which governments provide the broad regulatory framework, and through the use of instruments such as planning and funding institutions are 'steered' to produce the outputs governments' desire. Steering becomes an interactive process between government and institutions and it is the current preferred model in many countries, albeit with widely divergent mechanisms and levels of steering. Model three; *State interference*, is based on control in higher education that is neither systematic (Model One) or 'regulation through steering' (Model Two) but which is based on arbitrary forms of intervention. This model operates in many developing countries, Africa in particular (Kraak 2001, Moja et al 1996).

It was within the framework of state supervision/steering that the National Commission on Higher Education report (1996), the White Paper on Higher Education (1997) and the Higher Education Act of 1997 located the co-operative governance approach and asserted the need for institutional autonomy linked to public accountability (Preamble Higher Education Act, 1997). A series of institutional crises and a lack of confidence in higher education leadership - a critical component of governance, led to a series of amendments to the 1997 Higher Education Act. The Hall report acknowledges the amendments that are aimed at increasing the Minister's power for direct intervention at institutional level (Hall et. al. 2002, pp.7-8). Examples of this gradual transition from a steering to an increasingly control approach are to be found in the following amendments:

- Higher Education Amendment Act 55 of 1999 - allows the Minister to appoint Administrators to a higher education institution where there is financial or other maladministration of a serious nature.
- Higher Education Amendment Act 54 of 2000 - allows the Minister to determine the scope and range of operations of an institution, and determines that an institution may not without the approval of council and, under certain circumstances, without the concurrence of the Minister, enter into a loan or overdraft agreement, or develop infrastructure.
- Higher Education Amendment Act 23 of 2001 - includes provisions for the indefinite appointment of Administrators and the repeal of private Acts.

Concurrent to the legislative changes, the method of steering also altered. Initially, planning and funding were regarded as an interactive approach to determine goals and

targets (Department of Education 1998). However, the Ministry shifted to a perception that in order to implement the transformation programme an increased use of the executive powers vested in him by the Higher Education Act would be required. A key example is the proposed new funding model, which in the words of one of the authors, "will be a top-down one. It will come into operation only when the government has determined what total of public funds should be spent in a given year on universities and technikons and what the key policy goals should be for that year" (Bunting 2001, p.4). The model that Bunting describes is not an interactive steering approach, but is much closer to the centralised state control model outlined above.

It is not only the Minister that has acquired new powers and has shifted to a more 'top-down' model, but also the CHE has adopted a more centralised approach, according to Kraak (2001). Writing about the proposals formulated by the CHE Task Team on 'Size and Shape', he argues that the proposals represent a shift in the conception of the role of the state from that founded on a model of 'state supervision' to that of 'state interference'. The solutions to the dysfunction and endemic crisis in higher education system sought by the CHE are found in the articulation of a 'state interference' model - a bureaucratic, weak and arbitrary form of intervention based on prescriptive fiat and rigid rules and procedures. The affinities between this form of state interference, stratification thinking and the proposals of the CHE are self-evident. They represent a view of the state as weak and unable to attain the sophistication required for 'steering', and as a consequence, necessitating a reversion back to a conception of the state as bureaucratic and prescriptive. This is the only perceived route in which the (weak) state can gain some control over what is perceived to be a crisis-ridden and highly dysfunctional sector (Kraak 2001; p30).

Considering the context of a shift to more centralised governance, the arguments presented by Hall et al (2002) for a new approach to governance are very problematic. *Firstly*, the report argues that the National Plan for Higher Education (1998) marks the path of change to a "system of conditional autonomy in which substantive autonomy (academic freedom) continues to be guaranteed while the state exercises increasing control over procedures of funding and academic accreditation" (Hall et al, p.19). The argument is flawed as it is clear that a shift in approach, culminating in the proposal for 'coerced' mergers (DoE, 2002) violates the first condition of conditional autonomy set out in the report namely "the right of individual institutions to determine their primary goals".

Secondly, government interventions have mainly been driven by the need to improve efficiency. It could be argued that whilst the apartheid government used political alignment as a central conditionality, they did not care much about inefficiency or corruption. The new government in contrast, with its post 1997 emphasis on a more efficient

state, used inefficiency as grounds for intervention - and with a surprising degree of support from the higher education sector.

During the development of the merger proposals, it started becoming clear that since some inefficient institutions were not earmarked for merging, and some very efficient institutions were identified to be merged, a strong measure of other political criteria, based either on equity considerations, or a judgement of the political strength of certain institutions, entered the equation. Whilst Hall et al (2002) makes a case for 'state steering', it is evident that the current conditionality is based on an undefined type of 'political-efficiency'. The Hall proposal would allow for the transition from a state steering model to a state control model, on account of the fact that the content of the conditions imposed from time to time on the higher education institutions as a group or on individual higher education institutions would be in the sole discretion of government.

The Hall et al report (2002) makes no attempt to specify what qualifies as 'steering' and what should be regarded as 'intervention' or 'control', but a strong argument could be made that the Minister's power to determine the mission of institutions (e.g. by prescribing their programme offering), and the condition that financially strong institutions cannot take out a loan without his approval, is somewhere between state control and state interference.

The Minister, operating under an official policy of co-operative governance, has not specified his approach to changing conditionalities. It is also problematic since the proponents of conditional autonomy have not clarified which conditions might be acceptable, and which might be totally unacceptable. The new approach could have a devastating effect on the autonomy of higher education institutions - because it vests an unfettered discretion in the hands of government. In addition, it could be argued that since the proposed approach for conditional autonomy is not located within a broader framework of the state, it is actually impossible to specify a coherent set of conditionalities.

Thirdly, co-operative governance was proposed as a model for higher education and it fitted well in a framework for the new state. The notion of co-operative governance gives content to the constitutionally enshrined notion of co-operative government (Chapter 3 of the 1996 Constitution), which determines that all organs of state (including government departments and any institution exercising a public power or performing a public function in terms of any legislation) must co-operate with one another in mutual trust and good faith (section 41). In addition, the Constitution is based on a number of founding principles, amongst others, a system of democratic government, to ensure accountability, responsiveness and openness (section 1), and the need to

establish a society based on democratic values (Preamble). The Constitution also lays the foundations for a democratic and open society (Preamble).

Conditional autonomy is not located within the constitution, nor within the theory of the state implicit in the constitution. It does not distinguish between an authoritarian governance approach and a democratic participative approach.

Fourthly, if conditional autonomy fits as easily into in the framework of the new democratic government as it did in the framework of the apartheid authoritarian model, then there is not only a conceptual problem, but much more seriously, a political danger that within the national approach of participative co-operative governance, there could be practices uncomfortably reminiscent of the pervious regime.

IF REFORM IS PROBLEMATIC, CHANGE THE POLICY

Apart from the conceptual and political problems associated with conditional autonomy, it also raises problems with regards to policy and transformation. The suggestion for a review of a governance model is to a considerable extent, like the merger proposals, influenced by the failure (crisis) of the 25% of 'contested' institutions. The failure of these institutions cannot only be ascribed to a failure of internal governance, but could rather be attributed to a whole set of structural, geographic, capacity and socio-historic factors (Habib 2001). Instead of putting forward a plan to assist these institutions with their internal governance problems, and a strategy to make the 33% management focussed institutions more democratic, the model of co-operative governance is seriously questioned and a proposal made to change it.

There are two major flaws in this type of reasoning. Firstly, Castro and Levy (2002) argue that it is important to understand that: "neither conceptually nor in terms of policy does one size fit all" (p.27). A very different approach could be to reward the 42% of higher education institutions that have democratic governance, 'steer' the 33% managed focussed ones to greater democracy while maintaining the strengths of their existing management structures, and develop a support (rescue/interventionist) plan for the 25% in crisis.

A second problem, well described by Vlasceanu and Sadlek (in Cloete et al 2002) in Eastern Europe, is that, instead of dealing with the more difficult task of tackling problems, new policies are proposed. Vlasceanu and Sadlek conclude that in Eastern Europe: "the frequency of changes and changing policies have had two major effects. Firstly, the changes have left traces in the structure of the system that will have long-lasting effects. Secondly, many academics have become sceptical of the constant flow of change and have returned to the tradition of operating within the system. They thus

continue to do 'business as usual' while trying to avoid the external demands for change as much as possible"(p.2).

Finally the report and its recommendations are problematic in the sense that they attempt to apply a new, one size fits all governance approach to all institutions, when almost 50% of the institutions are, according to the study, already democratic. Another problem is political in the sense that it would be difficult to justify, within a fluid new democracy, the transition from a steering model to an increasingly evident control approach (with strong discretionary powers of intervention) - without clearly specifying what are the conditions, the circumstances and the methods that warrant the violation of autonomy.

The variety of methodological, conceptual and political problems identified in this report leads to the conclusion that a case has not been made as to why conditional autonomy will lead to more effective governance than the co-operative governance model. Within a democratic state there is really no choice between an imperfect model (co-operative governance) - democracy is by its very nature imperfect - and a model that fits as easily within an authoritarian state as it does in a democratic state - all depending on the vagaries of the minister of the day.

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