Governance models of university systems—towards quasi-markets? Tendencies and perspectives: A European comparison

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The results of an in-depth study into the university systems of the main countries of the European Union are presented in this paper. The objective is to define theoretical models of the market forms of university education and to apply them in a comparative international study. The analysis shows a general tendency to organise these systems according to ‘managed competition’ mechanisms in which the state plays a role in financing the system and regulating the quality of the study courses offered by the universities (quasi-markets).

1. Introduction

The reflection on governance models in higher education systems in Europe is part of a wider public administration modernization process (New Public Management) aimed at improving the efficiency of the public sector and focusing on the quality of the services (Hood, 1991, 1995). An important component in this process is the changing role of the public sector from service provider to market regulator.

The recent reform processes of university systems in some European countries can be examined in this context. An attempt to measure, evaluate and improve efficiency in the sector is undertaken for several years and is considered a priority by many, including students and their families, governments and businesses. These processes are even strengthened by more limited public budgets.

Some important contributions have been made to the literature that underline the increasing competitiveness within higher education (e.g. Hansmann, 1999; Rizzi & Silvestri, 2001, 2002; Johnstone, 2003; Mas-Colell, 2004). This attention is reflected in policies of many European countries. In the 1990s various attempts
were made to introduce more market competition into universities in Germany, The Netherlands, the UK and France (CHEPS, 1999).

In this study, we examine different objectives of market mechanisms in higher education: improving productive efficiency, securing more private resources, attention to students and improving the quality of teaching and research activities (Jongbloed, 2003). As far as some risks are concerned, particular attention is paid to consequences for equal access to higher education and to the ‘cherry picking’ phenomenon—we refer to the risk that, in a competitive context, the universities concentrate activities on the setting up of study courses that allow a greater residual claim (for example, in terms of capacity to attract a greater number of students at the same cost) (e.g. CHEPS, 1999).

This study focuses on systems-level efficiency, by describing the market characteristics of higher education in some European countries. It is argued that higher education has its own market characteristics, producing private goods with some public goods characteristics, such as the coming together of demands and offers of education goods—looking at students as consumers and universities as producers. This simplification can be used in the analysis of the market models that can be found in university education. It is possible, in any case, to consider that students can be regarded as producers of ‘university education’ goods, in that without their ability and time devoted to study, there can be no education production (Johnes, 1993). In a more complete sense, the production process of the education good can be divided into two main stages (that take place at the same time), and which perceive respectively the university institutions and the students as protagonists (Catalano et al., 1993).

This paper seeks to answer the following questions:

- Which market models have been adopted in the European higher education systems analysed?
- Is there a common tendency towards quasi-markets?
- Is it possible to identify different characteristics within the same quasi-market model, concerning the implementation modalities in the countries analysed?

The outline of the paper is as follows. Section 2 offers a theoretical framework on marketization in higher education, in particular, on the quasi-market models. The research method used is presented in section 3 and the empirical results of the study are provided in sections 4 and 5. Section 6 presents conclusions and remarks for the future.

2. Theoretical reference framework: the quasi-markets

Economic theory has for some time reflected on the role that the state takes in higher education (Clark, 1983; Williams, 1991; Johnes, 1993; Poterba, 1994; Dill, 1997). University education has many characteristics typical of private goods. It is a rival in consumption since the production of additional units cannot be obtained at zero cost
(one may think of technical limitations like spaces in classrooms, number of tenured teachers, etc.). Education is also an excludable good: student numbers can be limited by selection criteria and prices (tuition fees). Lastly, university education produces substantial private benefits in terms of higher income and social status for graduates than over non-graduates.

Nevertheless, the state intervention appears to be important for three reasons. First, education has positive externalities because benefits are enjoyed by the greater public. Teaching production in universities often coincides with research activities, which to a great extent appear to be a public good. What is more, society tends to be a major recipient of such positive externalities (e.g. lower crime, better health and a higher productive workforce leading to lower social costs and greater tax revenues) (Salerno, 2004). In sum, one can say that universities produce jointly both private goods (education) and public goods (research) (Blaug, 1987; Johnes, 1993). Then, the economic literature indicates that ‘failures of the market’ may lead to an under-investment in education (Hansmann, 1999).

First, the students, at the moment of enrolment, cannot be certain either of their own success (exogenous risk), or of their future prospects in the labor market that would justify the investment (endogenous risk). The lack of insurance instruments against such risks can lead to those that are risk-averse giving up. But also the capital market is not willing to finance university studies, for example, through loans, without arrangement of special guarantees (e.g. by government).

Second, education is an ‘experience good’, in which quality can only be judged long after consumption. Thus students and their families have less information available on the quality of education than the producers. This information asymmetry constitutes an obstacle for the correct functioning of the market. Therefore, public intervention is necessary through information provision (Propper, 1993). The same information asymmetry can be encountered in the labour market between companies and workers, also calling for public intervention (Arrow, 1973; Spence, 1973).

The legal value of a study title cannot be overlooked and has very important consequences for the offering of university teaching services, particularly in the European Bachelor/Master’s system since the early 2000s (Catalano & Silvestri, 1999).

Based on these reasons, the public intervention is traditionally widespread. The state acts as regulator (legislative power), principal financer and, in some cases, as direct producer (manager of university institutions). But also the state intervention is also subject to criticism (‘failures of the state’), due to the risk that bureaucracy is accompanied by inefficiencies on the one hand, and the ‘regulative capture’ phenomenon (influence of interested groups) on the other hand (see Bartlett & Le Grand, 1993; and with reference to the Italian situation, Giarda, 1993).

Today the role of government is changing because of the decentralization of the decision-making processes regarding autonomous universities. Therefore, the State plays a more marginal role (modest state) in the production of education (De Groof
et al., 1998); but it is also believed that the state should continue to play a role in the funding of institutions and of students and in the regulation of the sector—e.g. through ‘managed competition’. In reality, as emerges from this study, the state continues to play a consistent role, sometimes clearly predominant, in the funding of the institutions (cf. section 4, below).

From a macro perspective a higher education market should consist of a natural oligopoly, whose regulation can be carried out through comparison (or yardstick) competition between public and private companies working in different territorial areas (Ninni & Silva, 1997).

Quasi-markets: the theoretical model and applications in the university sector

From a theoretical viewpoint, two polar models (ideal types) of university systems governance can be identified:

- The ‘market’ model, in which HE institutions (like real companies) set their own prices for their teaching and research services without public intervention. This type of model, in the absence of any evaluation, suffers from problems related to information asymmetry, as discussed above. Furthermore, students’ choices would be, at least partly, driven by their financial availability impacting on equity and efficiency.
- The ‘centralistic’ model, in which the state finances and centrally controls education production, and regulates university activities by determining the prices (tuition) and admission to academic courses. This model suffers from criticism about the efficiency and effectiveness of central government and its ability to suitably manage an articulated and complex system such as higher education.

In reality, intermediate forms between the two are the norm. These are characterized by a mixture of state regulation and autonomy of institutions. Braun and Merrien (1999) model such evolutions in the higher education sector, based on ‘Clark’s triangle’ (Clark, 1983), in which the three possible types of relationships between the state and university are classified. In Clark’s model (1983), the three possible types of relationships between the state and the universities are: control by the state, free market and administration of the universities carried out by ‘academic oligarchies’ (self-regulation). The first two are ascribable to the two theoretical models presented at the beginning of the section, while the third represents an intermediate government form of the system performed by the teaching staff of the universities themselves and/or by groups of these. In this latter case, the effects of regulation interventions by the public sector appear to be particularly important. Braun and Merrien (1999) defined the tendency towards a higher education market model as ‘New Managerialism’. The most important characteristics of this model are:

- Universities are considered as subjects endowed with their own autonomy in producing teaching, research and services, though playing a public role by being
producers of socially useful goods. This vision is in opposition to the ‘Humboldtian’ one of the university as a place of creation and diffusion of culture without strong external influences.

- The state plays a significant role in the determination of the system’s strategic objectives, thus limiting universities’ autonomy. The state evaluates the use of public resources and the extent to which objectives are achieved. The results obtained by the institutions are therefore subjected to evaluation and control processes.

From an economic viewpoint, this kind of models constitutes a quasi-market. Bartlett and Le Grand (1993) defined some characteristics that are necessary for quasi-markets in a sector. **On the supply side**, producers need to be accredited with the requirements established by the state. Otherwise, they cannot enter the market, or they cannot receive the public subsidies. Furthermore, the producers’ objective is not that of maximizing economic value: they are mainly non-profit organizations. **On the demand side**, the power of acquisition does not occur only through the payment of fees, but rather in the form of public subsidies following individual students, either through formula funding models based on student numbers or through vouchers. The theory highlights that for a correct functioning (and success) also **environmental conditions** must exist:

- The market structure must be competitive, that is, there must be a variety of suppliers and a variety of consumers (preventing monopoly or monopsony situations).
- It is necessary that the agents (producers and consumers) be able to make use of the most complete and reliable information possible.
- Transaction costs must be minimized.

**Development of Italian higher education towards a quasi-market**

Italian HE seems to be making decisive steps in the direction of a quasi-market. The characteristics introduced through some reforms over the past decade include a number of dimensions (Catalano & Silvestri, 1996, 1999; Catalano, 2000), as follows.

**Diversification of the HE institutions.** A great degree of management, administration and financial autonomy has been granted to university institutions, and this allows each institution to distinguish itself, because of its specificity, from others (Rizzi & Silvestri, 2001).

**Accreditation of the institutions and study courses.** University institutions are **ex ante** accredited and recognized through ministerial decree. Moreover, ‘minimum requirements’ must be met, in terms of structures and teaching staff, for all courses (CNVSU, 2003).
The student support system guarantees equal opportunities and free choice. National student support provides scholarships to capable and deserving students lacking financial resources to help with the payment of maintenance costs during study. Recently, experiments have been carried out for setting up a system of student loans.

Freedom of choice of the users implies an increase in competitiveness. The capacity to attract greater numbers of students leads to an increase in state resources for each institution. A part of the fund allocated by the state is distributed on the basis of the number of students, which means that students ‘vote with their feet’ (CNVSU, 2004, 2005).

The improvement in the quality of performances through financial incentives. Universities are evaluated according to performance objectives set by the government (Catalano & Silvestri, 1999). Recently a new model has been used, in which 30% is based on the number of students, 30% on the results of teaching activities (number of formative credits accumulated by the students), 30% is based on the results of research activities (external funds for research and ‘success rate’ in attracting research funds by the Education Ministry) and 10% is based on specific, strategic objectives established by the Education Ministry on a yearly basis (CNVSU, 2004, 2005).

3. Research methodology

The empirical work in this study was carried out by analysing five European Union countries: France, Germany, Italy, the UK and Spain. These countries have similar values of public investment in higher education when considered as a percentage of GDP (Figure 1). The countries selected constitute typically the benchmark reference set for Italy. With the exception of the UK, all possess very similar historical characteristics that highlight the prominent role of the public sector in policies of education regulation. The countries were also selected because of their different characteristics regarding institutional architecture: two federalist countries (Germany and Spain) in which the Regions (the Länder and Comunidades Autonomas) have remarkable autonomy, two countries in which the central State administration still plays the major role (Italy and France) and one country in which HE institutions possess a certain degree of managerial autonomy (UK).

The first step in the empirical analysis identified characteristics that indicate a ‘pure market’, a ‘centralistic’ or quasi-market system. The empirical analysis was focused on the universities, so we do not refer here to the other HE institutions (colleges, vocational and/or training institutions, etc.). For this analysis we used a number of market attributes: freedom of choice for users, accreditation procedures and freedom in combination of the productive factors for producers, the existence of public funding according to the ‘money follow students’ principle, and diversification of prices (Table 1). Then, we studied the main differences among these systems (Table 2).
The information that was used to describe the country cases was obtained from literature studies, official government documents, institutional information contained in websites, data bases of international organizations and reports from specialized research centres (the complete list of sources analysed for the case studies is provided in Appendix 2).

The study concentrated on ‘initial higher education’, including only first or second degrees (BA/MA). Central in the study is the relationship between the state and universities at several levels (McDaniel, 1996; CHEPS, 1999):

- teaching autonomy, with respect to courses, organization of lessons, etc.
- autonomy in the management and allocation of financial resources.
- autonomy in recruitment and setting of teachers’ remuneration.

Table 1. Analysis of the quasi-market characteristics in the various countries, 2003

<table>
<thead>
<tr>
<th>Quasi-Market characteristics</th>
<th>France</th>
<th>Germany</th>
<th>Italy</th>
<th>UK</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accreditation of suppliers, technically evaluated by public organizations to guarantee the presence of minimum standards</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>2. Users’ freedom of choice of the accredited suppliers</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>3. Possibility for the suppliers to choose the combination of productive factors</td>
<td>No</td>
<td>Medium</td>
<td>Medium</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>4. Public money follows students</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>5. Autonomy in setting tuition fees</td>
<td>Low</td>
<td>No</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
</tr>
</tbody>
</table>
The second main element of the study analysed the degree of autonomy of HE institutions, classified into three levels (see Table 2):

- full autonomy;
- partial autonomy with some guidelines or *ex post* controls by the state;
- no autonomy, or regulation totally by the public authorities.

<table>
<thead>
<tr>
<th>Teaching</th>
<th>Freedom</th>
<th>Approval by minister/government</th>
<th>Set by law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy in supply of new programmes</td>
<td>UK</td>
<td>GER, FR, IT, SP</td>
<td></td>
</tr>
<tr>
<td>Autonomy in selection of students</td>
<td></td>
<td>SP, UK</td>
<td>FR, GER, IT</td>
</tr>
<tr>
<td>Autonomy in recruiting and teachers’ remuneration</td>
<td>UK</td>
<td>GER, IT, SP</td>
<td>FR</td>
</tr>
<tr>
<td>Governance</td>
<td>Elected</td>
<td>Mix</td>
<td>Appointed</td>
</tr>
<tr>
<td>Is there a rector in each university? Is he/she elected or appointed?</td>
<td>FR, GER, IT, SP</td>
<td>UK</td>
<td></td>
</tr>
<tr>
<td>Can a university autonomously set its own statutes, or are there any laws that must be followed?</td>
<td>UK</td>
<td>FR, GER, IT, SP</td>
<td></td>
</tr>
<tr>
<td>Financial issues</td>
<td>Lump sum</td>
<td>Line item</td>
<td></td>
</tr>
<tr>
<td>The state gives a global fund (lump sum) to universities, or a fund divided into different lines (line item)?</td>
<td>FR, IT, SP, UK</td>
<td>GER</td>
<td></td>
</tr>
<tr>
<td>Which kind of model is used for the allocation of public funds?</td>
<td>IT, UK</td>
<td>FR, SP</td>
<td>GER</td>
</tr>
<tr>
<td>In the total amount of the universities’ budgets, are there more public or private funds?</td>
<td>UK</td>
<td>FR, GER, IT, SP</td>
<td></td>
</tr>
<tr>
<td>Can each university set their tuition fees autonomously?</td>
<td>IT, UK</td>
<td>FR, GER, SP</td>
<td></td>
</tr>
</tbody>
</table>

- autonomy in the policies regarding students, in terms of free determination of fees for teaching and other services.
- policies guaranteeing or improve basic conditions of the markets.
- extent to which the market structure is open and/or regulations are imposed by the government.
- conduct of actors with regard to quality, looking at government activities in solving informational problems.

The second main element of the study analysed the degree of autonomy of HE institutions, classified into three levels (see Table 2):

- full autonomy;
- partial autonomy with some guidelines or *ex post* controls by the state;
- no autonomy, or regulation totally by the public authorities.
4. Results

The tendency of systems to move towards the quasi-market is analysed by looking at the degree of institutional autonomy in the countries involved, and by the market incentives built in the relationships between government and institutions.

Autonomy of institutions

In the university systems evaluated, most recent changes have led to greater autonomy for the institutions, though there are some differences. UK institutions enjoy almost complete autonomy in teaching and in recruiting staff. In France the state regulates all staff policies, and the setting up of new study courses must be subject to public controls. Some limits in teaching autonomy, though reduced in recent years, also exist in Italy where courses are subject to approval from the National University Council. In Germany the Coordination Council of the Ministries of the different regions (Länder) draws up guidelines for the organization of study courses. Financial autonomy is also traditionally limited through well-defined funding procedures (line items). However, in recent years, most Länder have been experimenting with funding methods that permit autonomy of university management (lump-sum budgets). In Spain the new evaluation agency (ANECA) has the responsibility for accrediting study courses and verifying uniformity with respect to national regulations. Briefly, it can be stated that the general trend is to boost the role of organizational, teaching and financial autonomy in universities.

The role of the state: financier

In all of the systems analysed, the state plays the main financing role in the higher education system (Table 2). In the UK a substantial part of the funding is ‘private’ (35%) (HEFCE, 2004), mainly being student fees and funding from industry and charities. Public funding is predominant in the other countries analysed (91% in Germany, 85% in France, 80% in Italy and 75% in Spain) (OECD, 2005). Limited public funding in the various countries has, in recent years, led to an increase in self-funding by universities through fees and the sale of services. In the German situation, recently (2005) a ruling by the Constitutional Court defined free higher education as being unconstitutional. In the near future, this country will also experiment with the use of student fees. Table 3 shows the various components of university funds.

The role of the state: regulator

Regulatory activities by the state can be divided into two groups.

- Quality regulation: all countries analysed have specific evaluation agencies that conduct ex post surveys of teaching quality. The only exceptions are Germany and Spain where such agencies operate at a regional level. In France, Italy, Spain and
Germany the central government is also directly active in the *ex ante* regulation of program offerings.

- **Price regulation** (tuition fees): in the UK the government sets annually a maximum student fee (this characteristic was maintained also in the Higher Education Bill 2004). Italy fixes a maximum threshold of the overall tuition fee budget in relation to the public funding total for each institution. In France the state determines the fee for each study course (differentiated according to the courses). In Germany the supply of services is free, but after the Constitutional Court ruling (see above) now the *Laender* may set fees. In Spain student taxes are regulated by the central government, but there are some exceptions in which this role is played by autonomous regional authorities.

The legal processes that have introduced elements of quasi-markets differ in terms of timing and modalities (see Appendix 1). However, common is legislation aimed towards greater autonomy of universities and the creation of national evaluation and/or accrediting agencies. The federal structures in Germany and Spain are particularly noteworthy because they lead to legislative differences between the regions.

### 5. Differences within the quasi-market systems

Quasi-markets can be examined very differently, especially with regard to the role of governments and to the degree of autonomy conceded to institutions. Before analysing these differences, it is useful to differentiate between two quasi-market general models: the ‘Anglo-Saxon’ and ‘continental’ models. They differ primarily due to the degree of government authorities’ involvement in the regulation of the quality and production factors, including recruitment and teachers’ remuneration.

The *Anglo-Saxon model* is marked by a great deal of university autonomy in deciding and implementing the educational offering. Universities also enjoy great
autonomy where recruitment and remuneration of teaching staff are concerned. In the continental model the state is much more involved in these issues, sometimes providing precise rules for the teaching offering and for recruitment of teachers and their remuneration. Particular attention is drawn to the French situation where managing teaching staff requirements are defined directly by the state for each institution. In the German, Italian and Spanish situations, however, it is left to the individual institutions to establish their own teaching requirements, but following national laws that set precise procedures.

Traditionally negotiated budgets for the universities are now replaced by formula-based funding models or contract funding encompassing more competitive power, including performance indicators and number of students as allocation bases.

However, a further distinction between the systems analysed concerns the existence of formula-based funding mechanisms together with mixed funding models, partly based on formulas and partly on ‘contracts’ between the government and individual institutions (see Table 4).

With the exception of Germany, most public funding is allocated through formulas based on student enrolments (‘weighted’ according to the different disciplines). In France, a part of the public funding is distributed through contracts between each university and the state. In Germany, the long tradition of funding based on negotiated budgets is changing in most Länder to formula-based mechanisms. The Spanish situation is analogous to the German one, where financing universities is the responsibility of the regional authorities; the use of formula-based or contract mechanisms therefore depends on the choices of each autonomous region.

In sum, the tendency of the analysed systems has been to adopt resource allocation mechanisms based on the number of enrolled students (formula-based or student-based contracts), thus stimulating competition between the producers (universities) in order to attract consumers (students), or towards a mix of formula-based mechanisms and institution/State agreements.

6. Conclusions and remarks concerning future research

This study has examined, from a theoretical viewpoint, possible market models of higher education, looking at the role of the central government and the autonomy of universities. Results show a tendency towards quasi-market forms:

<table>
<thead>
<tr>
<th>Table 4. Different funding systems</th>
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<tr>
<td>Formula-based models</td>
</tr>
<tr>
<td></td>
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<tr>
<td>Italy</td>
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</tbody>
</table>

6. Conclusions and remarks concerning future research

This study has examined, from a theoretical viewpoint, possible market models of higher education, looking at the role of the central government and the autonomy of universities. Results show a tendency towards quasi-market forms:
universities are granted more organizational and financial autonomy (lump-sum financial models leave the management and administration of these resources to the institutions);

- the state remains the main financier of the system and regulator of prices and quality in the institutions;

- competition is stimulated through formula-based or contract-based financial mechanisms, in which student numbers are of great importance.

The various countries here have implemented quasi-market systems with different modalities and through processes that have undergone changes over time. The theoretical model has not emerged in an organic or comprehensive way in any of the examined cases, but rather through a gradual evolution over time of legislative interventions that relate to individual aspects of the university system.

The study highlights several notable differences in the implementation of quasi-market models, mainly concerning the types of funding mechanisms used, the degree of autonomy conceded to institutions for managing their financial resources (lump-sum budgeting), the possibility of determining their program offerings and their human resources.

However, it is already possible to make at least one critical observation on the implementation of the model in the countries analysed. In fact, a substantial uniformity can be found relative to the use of numbers of students as the main variable in assigning public funds. The state does not seem to play a strong role in determining those objectives that ‘managed competition’ models steering the whole university systems towards objectives determined ex ante regard as relevant. It would therefore seem necessary for the governments to regain awareness of the economic aspects connected to university education, and of their regulating and financing role in these systems (Azzone, 1999).

Having established the tendency of European systems towards quasi-markets, it would be interesting to evaluate the capacity of these market models to improve the efficiency and effectiveness of the systems themselves, obviously taking into consideration an appropriate reference point in time for the implementation of such systems and their working under a full regime (Bartlett & Legrand, 1993). The efficiency of a university system could, for example, be defined by certain indicators such as decrease in the number of students abandoning the university (non-completion rates), the increase in the number of enrolments and of graduates, or shortening of the real time of graduating in respect of legal time (Johnes & Taylor, 1990).

The UK was the first European country to attempt efficiency assessment in the higher education sector. The creation of specific agencies for the evaluation and financing of the university institutions by all accounts has helped. This kind of analysis has focused on the efficiency of individual universities, which are compared (through benchmarking mechanisms) on the basis of performance and of productive factors utilized (Johnes & Taylor, 1990). In recent years several studies have been carried out on the efficiency of HE institutions, in various sectors and in various countries, using a variety of techniques (for a review see Salerno, 2003).
The major challenge now is to try efficiency analyses at the systems level. This requires the collection of homogeneous data and information, not always easy to obtain. First of all, it is difficult to define a set of homogeneous and reliable indicators for a general comparison at system level. Furthermore, it is difficult to obtain comparability of the data. For example, it is sufficient to point out that different types of institutions exist in the English higher education system (universities and colleges), while almost all Italian institutions are universities.

As far as the introduction of competition mechanisms between the higher education institutions is concerned, a great deal of attention is required to be paid to the phenomenon of competition between public and private institutions. If one of the characteristics of a quasi-market system is the existence of a plurality of suppliers, the number and ownership of the institutions is a factor to monitor. Thus investigation of how the new market models affect the governance and the organizational and managerial instruments of universities is necessary.

Lastly, a different type of comparison would be enlightening as between European HE and other typical models, for example, those of the USA, Canada, Australia and Japan, systems which seem to have presented a greater dynamic of performance indicators in recent years. There is still a great deal of work to be done to determine policy models in the higher education sector: the analysis of models and their effects in recent years would constitute a useful contribution for future developments.

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References


Appendix 1. Main reforms in higher education in the analysed countries, 1984–2004

<table>
<thead>
<tr>
<th>Country</th>
<th>Reform</th>
<th>Aspects of quasi-markets models</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>The Savary Act 1984</td>
<td>Institution of the National Evaluation Committee (CNE)</td>
</tr>
<tr>
<td></td>
<td>Utilization of a formula funding mechanism (later reformed in 1993)</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>Hochschulrahmengesetz (HRG) Resolutions of the Ministry of Education, 1998</td>
<td>Foundation of the national accrediting organization (Akkerreditierungsrat)</td>
</tr>
<tr>
<td>Italy</td>
<td>Law 168, 1989</td>
<td>Introduction of teaching autonomy in the universities</td>
</tr>
<tr>
<td></td>
<td>Law 537, 1993</td>
<td>Introduction of financial autonomy in the universities</td>
</tr>
<tr>
<td></td>
<td>Law 390, 1991</td>
<td>Reform of the aid system for students (scholarships and loans) in order to favour student mobility</td>
</tr>
<tr>
<td></td>
<td>Law 370, 1999</td>
<td>Institution of the National Evaluation Committee (CNVSU)</td>
</tr>
<tr>
<td></td>
<td>Ministerial decree 781, (2002)</td>
<td>Introduction of the minimum requirements for the accreditation of study courses</td>
</tr>
<tr>
<td>UK</td>
<td>Education Reform Act 1988</td>
<td>Introduction of autonomy for the local authorities extended to polytechnics and other higher education establishments</td>
</tr>
<tr>
<td></td>
<td>Further and Higher Education Act 1992</td>
<td>Institution of the university funding agency (HEFCE)</td>
</tr>
<tr>
<td></td>
<td>QAA, 1997</td>
<td>Agreement between universities and colleges for the constitution of a national evaluation agency (QAA)</td>
</tr>
<tr>
<td></td>
<td>Higher Education Bill 2004</td>
<td>Setting of higher thresholds for student taxes and of an exemption and loan system</td>
</tr>
<tr>
<td>Spain</td>
<td>Ley de Reforma Universitaria 1983</td>
<td>Introduction of autonomy for university establishments</td>
</tr>
<tr>
<td></td>
<td>Ley Orgánica 6 de universidades 2001</td>
<td>Institution of a national evaluation agency (ANECA)</td>
</tr>
</tbody>
</table>

Appendix 2. Main sources for the case studies

WENR-WES (http://www.wes.org).

France


**Germany**

Bundesministerium für Bildung und Forschung (BMBF) (http://www.bmbf.de).
Statistisches Bundesamt Deutschland (http://www.destatis.de).
Zentralstelle für die Vergabe von Studienplätzen (ZVS) (http://www.zvs.de).

**Italy**

CNVSU (Comitato Nazionale per la Valutazione del Sistema Universitario) (2003). *I requisiti minimi per l’attivazione dei corsi di studio: Alcune integrazioni e prime proposte per i corsi di laurea specialistica* (03/03), Ministero dell’Istruzione, dell’Università e della Ricerca, Roma.
CNVSU (Comitato Nazionale per la Valutazione del Sistema Universitario) (2004). *Proposte per la costruzione di un nuovo modello per la ripartizione ‘teorica’ del FFO alle università statali* (01/04), Ministero dell’Istruzione, dell’Università e della Ricerca, Roma.
CNVSU (Comitato Nazionale per la Valutazione del Sistema Universitario) (2005). *Il modello per la ripartizione del Fondo di Finanziamento Ordinario (FFO) all’interno del sistema universitario: Riflessioni a valle dell’applicazione sperimentale prevista dal DM 28 luglio 2004* (04/05), Ministero dell’Istruzione, dell’Università e della Ricerca, Roma.
Comitato Nazionale per la Valutazione del Sistema Universitario (CNVSU) (http://www.cnvsu.it).
Ministero dell’Istruzione, dell’Università e della Ricerca (MIUR) (http://www.miur.it).
UK


Spain


