

EDUCATION AND DEVELOPMENT PROGRAMME

*University Autonomy – Yet Another State Requirement*

*Analysis of Decentralization Efforts in Higher education of Georgia*

(Working Paper)\*

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## Abstract

The paper focuses on system-wide *higher education reforms that were lunched* in Georgia in 2004. It *calls into question* an overall enthusiasm and positive attitude towards these reforms and poses the question *whether the higher education reforms have been successful in Georgia?* Analyzing a case of university autonomy this study concludes that autonomy-gearred reforms produced façade changes and have failed to achieve system-wide transformation in this area. Universities tend to treat granted autonomy as another state requirement to which they have responded with superficial compliance.

The analysis covers policy developments of 2004-2010 years and looks at three components of university autonomy, institutional, financial and academic autonomy. Conclusions derive from the outcome analysis of the university autonomy policies.

## Introduction

The paper is a part of a larger research that focuses its analytical lens on the higher education (HE) reform process in Georgia. After the 2003 revolution Georgia emerged as a potential success story in reforming its higher education system according to European standards<sup>1</sup>. United Nations Development Programme (UNDP) mentions that according to the survey conducted by Transparency International (TI): “(...) Education reform was the single policy issue recognised by nearly all the interviewees as a success of the current government”<sup>2</sup>. However, these positive assessments of international and local (governmental) policy actors come in contradiction with the assessments of local actors that have been directly involved in the reform implementation process, thus raising questions in regard to the actual success of the reform. This concern is indirectly depicted in TI’s further assessment of the reform: Georgian educational reforms get more *unqualified* positive support from the opposition, as well as local and international NGOs, than reforms in any other area<sup>3</sup> (my emphasis).

My research calls into question an overall enthusiasm and positive attitude towards the reform of higher education in the country. The preliminary research question asks *whether the higher education reform is successful in Georgia?* and chooses university autonomy as a case under investigation.

The Millennium Development Goals (MDG) Georgia 2004 voiced the university autonomy as an imperative for the higher education reform even before Bologna Declaration was signed. “The main objectives of tertiary education reform should include the full autonomy of tertiary

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<sup>1</sup> Crosier, D., Purser, L. and Smidt, H. 2007. *Trend V: Universities shaping the European Higher Education Area*. European University Association.

<sup>2</sup> UNDP, 2008. “The Reforms and Beyond” p. 44

<sup>3</sup> Ibid: p. 44

institutions, the establishment of a competitive climate for public and private institutions, the eradication of the state order tradition and the introduction of the “*money follows the student*” system<sup>4</sup>. The reasons why HEI autonomy has been repeatedly emphasized in the policy recommendations of the international community (represented by the foundations and international organizations active in the country) are twofold. Firstly, it was portrayed as a counter-action towards the Soviet centralized system that had negative overtone. Secondly, it went along with the agenda of decentralization of the governmental systems in Georgia as well as in other developing countries<sup>5</sup>.

Internally, to advocate for university autonomy also carried practical considerations. It was obvious that higher education system, had it stayed under the state-subsidy would need tremendous amount of resources that poor country like Georgia could not afford. Thus, the university autonomy, provided as recommendation by the international community appeared to be a salvation for the state. The motivation for “setting universities free” was twofold: the state had decided to keep its financial responsibilities towards the HEIs to the minimum, and let competitive environment reveal the survivors (MES. Interview, 2010).

In practice, development of university autonomy proceeded simultaneously with the reforms in other dimensions of higher education, such as quality assurance, anticorruption, and many more. Undoubtedly, this dynamic environment largely determined the trajectory of university autonomy incentives. However, most importantly it was influenced by the past experiences and effects of the post-Soviet negligence. Below, these contextual factors are briefly summarized.

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<sup>4</sup>, UNDP, 2004. "Millenium Development Goals in Georgia.". pp 31-32  
<http://planipolis.iiep.unesco.org/upload/Georgia/GeorgiaMDG2004.pdf> (accessed March 5, 2011).

<sup>5</sup> Government of Georgia. "Basic Data and Directions for 2007-2010." Government's Strategy, Tbilisi, 2007.

## Contextual determinants of the reforms

The reforms that were launched in 2004 were made possible by a radical change in the composition of government of Georgia (GoG) after the 2003 revolution, one of the “color revolutions” that took place in post-Soviet countries in the wake of 21<sup>st</sup> century<sup>6</sup>. A new, pro-Western government decided to launch system-wide reforms to transform the country into a liberal democracy and integrate with Europe<sup>78</sup>. For the specific field of education, according to MDG Georgia the country committed itself to “Ensure Coherence of Georgian Educational Systems with Educational Systems of Developed Countries through “Improved Quality and Institutional Set-up”<sup>9</sup>. In higher education sector Georgia committed itself to “ensure establishment of an accreditation system; [and achieve] institutional coherence with modern tertiary education systems” by 2015<sup>10</sup>. The most obvious step in this direction was a decision to join the Bologna Process, formally completed at the Bergen meeting of the ministers in charge of higher education of the Bologna countries in May 2005. In view of this affiliation, Georgian HE system was set to become part of the European Higher Education Area. In order to do so, the national HE system had to adopt a three-cycle degree system, establish a quality assurance system, and institutionalize a degree recognition process<sup>11</sup>. Together with these action lines, the

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<sup>6</sup> Ukraine and Kyrgyzstan being the other two.

<sup>7</sup> UNDP. 2004. "Millenium Development Goals in Georgia."

<http://planipolis.iiep.unesco.org/upload/Georgia/GeorgiaMDG2004.pdf> (accessed March 5, 2011).

<sup>8</sup> Westerheijden, Don F. 2008. *The Bologna Process Independent Assessment*. CHEPS, INCHER-Kassel and COTEC.

<sup>9</sup>UNDP. 2004. "Millenium Development Goals in Georgia." Goal 2.

<http://planipolis.iiep.unesco.org/upload/Georgia/GeorgiaMDG2004.pdf> (accessed March 5, 2011).

<sup>10</sup> P. 28. *ibid*

<sup>11</sup> Based on Bergen Communiqué. 2005. "The European Higher Education Area - Achieving the Goals." Communiqué of Conference, Bergen,

autonomy of HEI was highlighted and GoG made sure to reflect it in the new Law on Higher Education<sup>12</sup>.

In the Soviet Union higher education was controlled by the Communist Party and served the purposes of the regime. Hence, HEIs lacked institutional and academic autonomy<sup>13</sup>. The mission, program offerings, and enrollment levels for HEIs were determined by the Ministry of Education or the equivalent (central) government agency<sup>14</sup>. After the collapse of the Soviet Union this centralized authority was no longer in place and there was no quick remedy to fill the power vacuum. This momentum was well used by private HEIs to mushroom, while public HIEs drifted away from the state and started to struggle for surviving individually. Many of them had introduced fee-paying programs, lease out or sell university premises and lands, create academic programs of dubious profile, or simply sell certificates and academic diplomas<sup>15</sup>. In these circumstances, when universities were left by themselves, it did not produce a positive structural development where the autonomous action would grow from within the HEIs. Absence of central control mutated into creative destruction and chaos.

By 2004 the new government inherited 194 higher educational institutions in Georgia. 44 (including branches) were public and 150 private<sup>16,17</sup>. The HE system management was nominally still centralized: the rectors of the public HEIs were appointed by the President of the country, at the HEIs the decision-making power was concentrated in the hands of the rectors, but

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<sup>12</sup> Ministry of Education and Science. 2004. "Law on Higher Education of Georgia".

<sup>13</sup> Helmut de Rudder in Sabloff, Paula L. W. 1999. *Higher Education in the Post-Communist World: Cases of eight universities*. New York and London: Garland Publishing Inc. p. 5.

<sup>14</sup> *ibid*

<sup>15</sup> Telegina, G., Schwengel, H. 2012: 37–49, "The Bologna Process: perspectives and implications for the Russian university." *European Journal of Education*.

<sup>16</sup> UNDP. "Millenium Development Goals in Georgia." 2004.

<http://planipolis.iiep.unesco.org/upload/Georgia/GeorgiaMDG2004.pdf> (accessed March 5, 2011).

<sup>17</sup> Machabeli, I. 2004. *Report from New Members of the Bologna Process: Georgia*. Tbilisi. Ministry of Educaiton and Science.

they had limited autonomy in managing state budget allocations. Student enrollment for different professions was still defined by the state. Lack of any accountability mechanisms created a fertile ground for corruption and nepotism to flourish<sup>1819</sup>.

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<sup>18</sup> UNDP. "Millenium Development Goals in Georgia." 2004.

<http://planipolis.iiep.unesco.org/upload/Georgia/GeorgiaMDG2004.pdf> (accessed March 5, 2011).

<sup>19</sup> Westerheijden, Don F. 2008. *The Bologna Process Independent Assessment*. CHEPS, INCHER-Kassel and ECOTEC

## University Autonomy – conceptual considerations

University autonomy carries multidimensional character. There is quite an extensive list of what authors in the field regard as dimensions of the university autonomy, but most of the authors largely agree upon three. These are institutional autonomy, financial autonomy and academic autonomy. The institutional autonomy refers to the ability and the authority of an higher education institution (HEI) to determine its own goals, appoint its governing body, choose and employ its own staff<sup>20</sup>. The financial autonomy refers to the capacity of the HEI to acquire and allocate funding, to set tuition fees, and to own and manage buildings. Some authors like Berdahl<sup>21</sup> make distinction between academic freedom and academic autonomy. The author claims, that academic freedom is not one of the dimensions of the HEI along with the institutional and financial autonomy. Berdahl suggests that *academic freedom* belongs to the individual academics. This concept is different from the *substantive autonomy* (i.e. academic autonomy) that denotes the power of the institution to determine its own goals and programs, and *procedural autonomy* (i.e. administrative/organizational autonomy) that underlines the power of the institution to determine the means by which its goals and programs will be pursued<sup>22</sup>. European University Association (EUA), in its autonomy scorecard defines academic autonomy as a *capacity to define the academic profile, to introduce degree programs, to define the structure and content of degree programs, (...) and the extent of control over student admissions*<sup>23</sup>. Throughout this study, I employ this particular definition.

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<sup>20</sup> Estermann, T., Nokkala, T. 2009. *University Autonomy in Europe II: Exploratory study*. Brussels: European University Association.

<sup>21</sup> Berdahl, R. 1977. *British universities and the state*. Berkeley: University of California Press.

<sup>22</sup> Estermann, T., Nokkala, T. 2009. *University Autonomy in Europe II: Exploratory study*. Brussels: European University Association. p. 29

<sup>23</sup> Estermann, T., Nokkala, T. 2009. *University Autonomy in Europe II: Exploratory study*. Brussels: European University Association.p. 7

## Data Collection

The study is based on semi-structured interviews conducted from January to August 2010 and on document analysis (international assessments and reports of UNDP, 2000; MDG Georgia 2004 among them), MES reports (2004, 2007, 2008), Law on Higher Education of Georgia (2004 and major subsequent modifications), reports and legal documents produced by National Quality Assurance Center (2005 – 2010 years) and Bologna-related third-party assessments/evaluations both domestic and international, various documents of the HEIs included in the sample: statutes, self-assessment reports and basic quantitative data that HEIs have accumulated over the past several years. Document analysis was also enriched with the sources that were suggested by the interviewees. These included working documents and reports of the multiple projects that have been implemented or were in the implementation process by 2010.

**Sample.** The study targeted three levels of the policy implementation chain: top – the Ministry of Education and Science; middle/intermediary – National Quality Assurance Center; and bottom – five public *universities*<sup>24</sup>. Out of 15 accredited public universities I selected 5: 3 in the capital, and 2 outside the capital, representing education centers in the western and eastern regions of the country. At the universities I targeted three levels. Top management was represented by a rector (or the vice-rector) of the university and a chancellor (Chief Operating Officer), and two self-governing bodies – university senate and academic committee and representatives of a quality assurance unit. At the middle management level I met deans of academic departments. At the lower level of hierarchy, I met academic staff - professors and/or assistant professors. Also, third party stakeholders were interviewed: non-governmental organizations (NGO), also local and

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<sup>24</sup> The Universities are those HEIs that offer all three, bachelor, master and doctoral level of study (), i.e. has both teaching as well as a research component. I focused only on *public* universities, because changes are made mandatory for these, rather than private HEIs. Therefore, the shifts in the system are, presumably, more observable and tangible in public universities.

international experts. Within this sample, priorities were given to those actors who have spent longer than 2 years within the HE system and could account for changes within a certain time-perspective. Overall, 38 semi-structured interviews were conducted.

***Level of analysis.*** This study employs outcome-level analysis to assess effectiveness of QA system development in the country. Outcome-level analysis unfolds the complexity of the policy implementation and captures more dimensions of the process than was possible in the already available reports. For instance, governmental reports seek to find correspondence of the reform's results with the political goals of the country, therefore the analysis of the current situation is capturing the political dimension of the process. The international community (e.g. represented by EUA) largely focuses on the introduction of structural changes in the system that are related to the University autonomy, assessing input-output relationships and assessing the level of efficiency of the obtained results. Outcome-level analysis traces the effects of implemented actions beyond immediate results and assesses whether introduced structural changes are or have a potential to become functional.

## University Autonomy – the analysis

Keeping general conceptual considerations in mind, the starting point of the analysis of the university autonomy in Georgia is the Law on Higher Education of Georgia. It has to be noted that 2004 onwards, until 2007 the country did not have an explicit higher education policy. In absence of the policy blueprint the Law on Higher Education of Georgia became a guiding document of the reform and of those parties involved.

Thus, I employed the Law on Higher Education to set the main parameters of university autonomy and set them as the benchmarks for the study. This is the main document that enables system-wide changes, provides the regulatory framework for its enforcement and is the only reference point for the various actors in higher education system of Georgia. An actual state of affairs of the HEIs is compared to these benchmarks. The definition of university autonomy as provided in the Law is the starting point of this analysis. All three dimensions of the university autonomy are present in the Law, thus I use these broad definitions of institutional, academic and financial autonomy as discussed in the previous section. I was also guided by the EUA Autonomy Scorecard<sup>2526</sup> to specify set of indicators for each of the autonomy components.

The analysis of HEI autonomy in Georgia proceeds in two directions. First, it traces changes in the law over time - from 2004 until 2010 and checks if the system has actually moved towards more decentralized nature of conduct, as it is described in the Bologna Process Stocktaking Reports of 2005<sup>27</sup> and 2007<sup>28</sup>. Secondly, it analyses whether the universities have been able to absorb granted autonomy.

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<sup>25</sup>Estermann, T., Nokkala, T. 2009. *University Autonomy in Europe I: Exploratory study*. Brussels: European University Association.

<sup>26</sup>Estermann, T., Nokkala, T., Steinel, M. 2011. *University Autonomy in Europe II: The scorecard*. Brussels: European University Association.

<sup>27</sup> "Bologna Process Stocktaking Report." 2005.

Below main developments with regards to three components of autonomy are overviewed. Organizational autonomy refers to the process of decentralization and mainly discusses self-governance initiatives. Academic autonomy includes the effects that development of quality assurance system had on academic activities. Regulations regarding student admissions are also included in this section. Finally, financial autonomy analyzes HEIs' ability to manage its funds and identifies main external and internal obstacles in this regard.

### **Organizational Autonomy**

Organizational autonomy or self-governance is highly emphasized. However, while state grants autonomy to the HEIs as to independent decision making units, the same Law defines the mandate of the HEIs to a greater detail. It stresses that HEI determines the governing bodies, employs staff and decides about the internal personnel policy, employment criteria, the forms and amount of remuneration, the quota of students and additional criteria for their admission, the norms of ethics and disciplinary responsibilities. Moreover, it defines the mandate of a Rector that in turn had become an elected position. The Rector nominates the candidacy of a Chancellor (head of administration) and the Senate (the representative body of the HEI) approves him/her<sup>2930</sup>. UNDP also reinforces the importance of these elements for university life. "The supreme decision-making bodies of the universities, the Academic and Representative Councils, are elected by all professors on the basis of direct and equal elections. One third of the members of the Representative Council are students. The University Strategic Plan, curricula, principles of

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<sup>28</sup> "Bologna Process Stocktaking Report." 2007.

<sup>29</sup> Ministry of Education and Science. 2004. "Law on Higher Education of Georgia."

<sup>30</sup> "Bologna Process Stocktaking Report." 2005, 2007

selection of academic personnel and other academic and administrative issues are made openly by the elected representatives. Like the Board of Trustees, this is intended to help democratize university life”<sup>31</sup>.

Contrary to the assessment of the UNDP above, the interviews reveal that university life has not been democratized. It rather carried on in its old curved path leaving elements of self-governance, introduced in the system, as another administrative add-on to its organizational setup. Consequently, the effort is made only to demonstrate the existence and practice of relevant procedures in place. HEIs are more concerned to comply with the regulations and MES requirements, rather than making these bodies effective. On the questions regarding the mandate and work of academic council or the senate respondents usually resorted to the explanations such as: “everything is in accordance with the Law” (R1, HEI1, 2010) and “we follow internal procedures” (R2, HEI1, 2010), or “you can check the minutes of the (council) meetings on our web-site” (R3, HEI1, 2010).

The Law hardly leaves the room for HEIs to act independently. More specifically, the public HEIs can be established only according to the criteria stated in the law; the minister approves the title, aims, function, activities and property of a HEI<sup>32</sup>. The election rule of the members of a Senate and an Academic Board are defined by the Law. The procedure for rector’s election is also stipulated in the Law. The decree on “Approval of the Statute for the First Elections of Legal Entity of Public Law - HEIs' Managerial Bodies” was signed by the minister in 2006, i.e. the state provides unified procedure for the election<sup>33</sup>. In addition, the election process has been

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<sup>31</sup> UNDP, 2008. “The Reforms and Beyond” p.43.

<sup>32</sup> in the light of recent (2011) changes in the law that granted public universities non-profit status, these obstacles have slightly lightened.

<sup>33</sup> "Bologna Process Stocktaking Report." 2007.

repeatedly contested by involvement of the MES. After 2004 the rectors of all 5 universities included in the analysis were dismissed and new acting rectors were appointed. Within one month from these appointments first elections took place. In all five universities elected rectors were the only candidates to participate in the elections. This created mistrust among the faculty as well as NGO representatives towards the ministry's actual plans to decentralize the HE system and 'set the universities free'.

It is obvious that the legislative framework is formulated in a way to avoid the possibility of errors in the fragile system at expense of actual university autonomy. Therefore, the changes introduced in the system have not been understood as a move towards decentralization or autonomy, but rather as an alternative way of centralization. As a result, most of the universities react with superficial compliance. The governing bodies never actually became decision making units at the university. The division of power hardly took place and the universities remained an oligarchy where the authority of the rector remained supreme. Further on, with constant intrusion of the MES in the election processes of rectors of main universities the illusion that the state actually intended to withdraw has vanished.

In this analysis staffing is included as one of the dimensions of organizational autonomy. The provisions in the law in this regard are not very elaborate and limits to the statement that the HEIs are free to employ their own staff and develop their own personnel policy<sup>34</sup>. This provision envisioned large-scale reorganization across the HEIs with the aim to downsize inflated administrative and academic staff and introduce an element of competition among academics. All of the HEI employees were dismissed with the opportunity to apply for the announced openings. The HEIs were setting their own criteria to hire employees. Across the HEIs the

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<sup>34</sup> Ministry of Education and Science. 2004. "Law on Higher Education of Georgia." Section 1.

academic staff was hired on the contractual bases, which are revisited every three years. This change had a positive effect and indeed was the first attempt to devise objective selection criteria and fair conditions (R.1, HEI 3. R3, HEI2, R6, HEI 4, 2009).

Overall, self-governing bodies do exist in every public HEI, as this is required by the Law. However, by 2010 there were very few HEIs that practiced self-governance. Most of the universities have incorporated these changes into the HEI system as a formal requirement while the decision making power has remained with the Rector and those, close to the rector, thus leaving these structural change only to demonstrate that required organizational elements are there. This observation is reinforced with the UNDP assessment that states: “While the aspiration to ensure broad participation in the universities’ governing structure is admirable, the Law provides neither mechanisms of accountability for members of Representative and Academic Councils nor mechanisms to ensure their independence in decision making<sup>35</sup>.

### **Academic Autonomy**

The Law does not separate three components of university autonomy. It provides one general definition for autonomy which combines elements of academic, organizational and financial autonomy. Following section refers to the academic autonomy: “freedom of an HEI to determine independently its strategy, methodology and contents of teaching and research”<sup>36</sup>. Therefore, I firstly identify how detailed is the framework regulating teaching and research activities at the HEI and afterwards, analyze what is the extent to which an academic staff of researched universities exercise granted autonomy within the defined regulatory framework. In addition to the primary components of academic autonomy as defined in the Law, I add the component that

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<sup>35</sup> UNDP, 2008. “The Reforms and Beyond” p.44

<sup>36</sup>Ministry of Education and Science. 2004."Law on Higher Education of Georgia." Section 1

concerns the level of freedom of the HEI to define the number of student admissions in their university. According to the Autonomy Scorecard this component affects the academic autonomy<sup>37</sup>.

When analyzing academic autonomy a broader understanding of Bologna-motivated developments has to be taken into account. In particular, an ongoing implementation of three-cycle education scheme, national quality assurance arrangements that are guided by the European Standards and Guidelines<sup>38</sup> and upcoming National Qualification Framework for Higher Education influenced by the European Qualification Framework<sup>39</sup>. By 2005, institutional accreditation was introduced in the system and was made mandatory for the public HEIs. Otherwise, the state would not recognize their degrees and more importantly for the HEIs, they would not be eligible for the state grants/vouchers for student admission. The standards of institutional accreditation defined templates of syllabus, number of credit hours per course and per program, and alike<sup>40,41</sup>. Thus, these quality assurance measures became a state requirement, which in turn were translated into internal regulations of the universities. As a result, most of the HEIs turned to tailor their academic programs to the state requirements. There is almost no divergence evident at the level of different departments or programs within the universities.

In addition, 2009 decree of the minister standardized the methods of student assessment. The ration of oral tests and written exams was determined by the ministry, and the preference was given to the in-class multiple-choice tests. Although, these particular examples do not directly

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<sup>37</sup> Estermann, T., Nokkala, T. 2009. *University Autonomy in Europe I: Exploratory study*. Brussels: European University Association.

<sup>38</sup> European Association for Quality Assurance in Higher Education (ENQA). 2005. "Standards and Guidelines for Quality Assurance in the European Higher Education Area." Helsinki

<sup>39</sup> Based on Estermann, T., Nokkala, T. 2009. *University Autonomy in Europe I: Exploratory study*. Brussels: European University Association.

<sup>40</sup> National Education Accreditation Center. 2006. "Annual Report."

<sup>41</sup> National Education Accreditation Center. 2007. "Annual Report."

refer to the substance matters of the academic programs, the unification and standardization tendencies leave limited flexibility to the faculty to pursue their professional goals and preferences (R1, NGO, 2009, R5, HEI4, 2010, R2, HEI 4, 2010).

The ability to decide on selection criteria of students are an important part of academic autonomy. Student admission process is managed at the national level. Students that go through the National Entrance Exams can indicate number of preferable HEIs and be admitted to their preferred choice of the HEI with the state-provided voucher. Although the universities can determine the number of their admission, they have no control over student admission mechanisms or criteria.

With the centralized entrance examination mechanism HEIs are dependent on the selection criteria that is used at the exams, and on students' preferences. As the priority of the these exams is to provide for transparency and, perhaps, equal opportunity for the students, it overlooks the disparity at the end of the HEIs. Since the national exams are largely the only qualifying criteria for student admission, and HEIs are financially dependent on the tuition fees. Hence, educational institutions run a risk to admit a student body that is not necessarily tailored to their profile and degree specifications. This is very problematic for HEIs specialized in exact sciences and medicine ( R1, HEI 1, 2010; R1, NGO, 2010; R2, NGO, 2011).

Academic freedom, i.e. the independence of each academic to choose the substance of the course is preserved. Nevertheless, the quality assurance mechanisms prone to standardize academic processes negatively affect autonomy of the academic staff. Over the course of these years, the emphasis has shifted from academic to the administrative matters. This has lead to the bureaucratization and the growth of power of non-academic, administrative staff within the

HEIs. In its turn, increased administrative pressure within the universities speaks back to the problem of a growing centralization of the HE system mentioned in the previous section.

### **Financial Autonomy**

Financial autonomy is certainly the area where the links to the other components of autonomy are the most obvious. The ability or inability of universities to decide on tuition fees has implications for student admissions, national regulations on salaries for staff impinge on staffing autonomy and the capacity to independently disperse university funds directly impacts on the ability to implement a defined strategy<sup>42</sup>. However, as important as financial autonomy and overall financial matters are in the life of HEI, often it serves as a scapegoat for all miss-fits and malfunctions of the institution. The same argument is often raised when discussing higher education reforms in Georgia. Lack of funding was repeatedly voiced as a primary problem by the HEI representatives in this study as well. UNDP Human Development Report refers to the same issue as a decisive one<sup>43</sup>. This argument makes the discussion regarding financial autonomy somewhat obsolete, since in the situation of having scarce resources the HEIs ridicule the idea of independent financial management.

Nevertheless, if we look at the figures the budget on higher education has grown by 5 times during 2004-07 years, from 10 million Euros to approximately 50 mln Euros<sup>44</sup>. Considering that within these years the number of HEIs have shrunk significantly this figure becomes substantial. Therefore, the argument that the main reason for slow progress is lack of funding is exaggerated. What, suggestively, hinders the process is lack of transparency in financial matters of both, MES and well as HEIs. Financial information of individual HEI is hardly accessible. Accountability

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<sup>42</sup> Estermann, T., Nokkala, T. *University Autonomy in Europe I: Exploratory study*. Brussels: European University Association, 2009.

<sup>43</sup> UNDP, 2008. "The Reforms and Beyond"

<sup>44</sup> Government of Georgia. 2007. "Basic Data and Directions for 2007-2010." Government's Strategy, Tbilisi.p. 7

measures are weak and HEIs use it to their own advantage. (Collecting information regarding financial status of the HEIs was almost impossible due to these circumstances.)

Notwithstanding, the Law on Higher Education includes provisions on financial autonomy as well as financial accountability or rather, transparency. HEIs, independently from the ministry, ought to create their own budget and manage it<sup>45</sup>. This statement mainly refers to the change of the system of financial management of previously practiced line-item budgeting towards the lump-sum budgeting. The Law also stipulates that the HEIs are to move to diversified funding practices, and that the state will introduce the voucher system of funding, often called *money-follows-student* funding scheme<sup>46</sup>. Apart from the state grants to cover tuition fees, the HEIs receive infrastructure development funds upon request<sup>474849</sup>. According to the Law, the departments within HEIs also have a right to produce budget independently and submit it to the central forecasted budget of the HEI. In other words, the incentive to create decentralized autonomous working units within the HEIs is there.

However, these provisions provided above do not guarantee financial autonomy of the HIE. As of now, although the state has allowed and promoted diversification of funding mechanisms, HEIs are rarely aware of what this actually suggests and largely remain dependent on the collection of tuition fees. The concern that has been raised among the interviewees (representatives of public HEIs) is that public HEIs remain valuable to financial shortcomings more than private HEIs as the first have more restrictions to generate income than the latter. The

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<sup>45</sup>Ministry of Education and Science. 2004."Law on Higher Education of Georgia."

<sup>46</sup> *ibid*

<sup>47</sup> based on Ministry of Education and Science. 2004. "Law on Higher Education of Georgia."

<sup>48</sup> UNDP. 2004 "Millenium Development Goals in Georgia."

<http://planipolis.iiep.unesco.org/upload/Georgia/GeorgiaMDG2004.pdf> (accessed March 5, 2011).

<sup>49</sup> UNDP, 2008. "The Reforms and Beyond"

voucher system allows students to use the scholarship at their choice of the HEI, public or private.

Finally, HEIs financial systems are still not transparent and the budgeting process is still centralized within the organization. Departments do not practice budgeting exercise separately, but remain dependent on the central university budget allocations.

### **System-wide effects**

It is noteworthy that at the ministerial level, the university autonomy has been articulated in terms of decentralization and self-governance. In official documents when referring to the matter of autonomy, there is always an appeal to the changes in the higher education management system. The emphasis is made on the fact that heads of HEIs are “no longer appointed by the President but elected by each institution’s Academic Council (the highest representative body consisting of elected professors from each department)”<sup>50</sup>. There is hardly any evidence that discusses academic or financial components of autonomy although the law includes provisions regarding both of these components.

Over the course of these six years (2004-2010) the system has been developing in two directions. From 2006 onwards, the MES has been gradually strengthening its institutional autonomy from the central government. For instance, according to the 2006 amendments in the law the Prime Minister appointed the heads of accreditation and examination centers (NEAC and NAEC), as well as the accreditation council that made decisions regarding the status of HEIs<sup>51</sup>. By 2010 these decisions are no longer made by the Prime Minister, but by the Minister of Education and

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<sup>50</sup> GoG, 2007

<sup>51</sup> Article 6. Chapter 2. Ministry of Education and Science. 2004. "Law on Higher Education of Georgia."

Science<sup>52</sup>. Until 2006, the Government of Georgia defined the amount of the state grants for students<sup>53</sup>. By 2010, this component also moved within the mandate of the MES where it defines and submits the proposal for the state grant's package to the GoG for the approval<sup>54</sup>.

Simultaneously, as the MES increased its institutional (and political) autonomy, it proceeded to concentrate the decision making power at the central ministerial level. Over the course of these years following 2004, the regulatory framework became stricter. By 2005-06 regulatory agencies, such as National Education Accreditation Center (now re-established as a National Education Quality Enhancement Agency) and National Examination Center, were created within the framework of system's decentralization. Both agencies were to become independent organizations gradually. Nevertheless, by 2010 this was still not the case. If by 2006-2008 the head of Accreditation Center was appointed by the Prime Minister and the organization's operational funds were determined and issued by the ministry, at the end of 2008 the regulation was changed in favor of the Center. According to the 2008 amendments to the Law, a head of the Center was no longer appointed by the Prime Minister, but by the Minister of Education. However, by 2010 the regulation changed again according to which the ministry has subordinated the Center and currently the deputy minister of education combines the position of a head of the Center<sup>55</sup>.

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<sup>52</sup> Ministry of Education and Science. 2004."Law on Higher Education of Georgia." 2010 amendment

<sup>53</sup> Article 6. Chapter 1. b Ministry of Education and Science. 2004."Law on Higher Education of Georgia".

<sup>54</sup> Ministry of Education and Science. 2004."Law on Higher Education of Georgia." 2010 amendment

<sup>55</sup> *ibid*, 2010 amendment

## Theoretical Threads

Development processes unfolding in the higher education system in Georgia produced another noteworthy element. According to Clark<sup>56</sup> the disciplines and the professional guilds matter and take over the centralized changes. Thus the national agenda loses importance. This tendency is not vivid in Georgia. With the few exceptions, academic elite were discredited/marginalized in the country, followed by the high level of centralization, which has not yet let the new academic elite to strengthen. Therefore, the centralized system prevails professional and disciplinary principles. This is why we witness mechanistic changes across the HEIs and not uneven progress from one HEI to the other that could be attributed to the strong academic and professional affiliations.

Prevalence of the centralized conduct and dominance of administrative side of the reform is also predetermined by lack of involvement of HEI representatives in the policy making process. In 2004 at the wake of the reforms there was a room for cooperation and high involvement of the key stakeholders in the policy formation process. Bottom up incentives were welcomed and later, some of them were turned into system-wide formulas. One of such initiatives was an idea of HEI reorganization through the mergers of academic departments at Tbilisi State University. Soon after the university representatives approached ministry with this idea it became a recommended way of reorganization of the HEIs promoted by the MES. 2006 onwards this tendency gradually changed and the ministry became detached from the HEIs. By 2008 the Accreditation Center was the primary contact and the source of information for the HEIs. At this

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<sup>56</sup> Clark, B. 1983. *The Higher Education System: Academic Organization in Cross-National Perspective*. University of California Press.

point, the only cooperation platform that the Center offered to the HEIs was regular ‘public hearings’ concerning the standards for upcoming program accreditation.

In conclusion, the processes unfolding with regard to the university autonomy in Georgia seems to be contrary to the dominant perception that the universities have difficulty to manage organization with increased autonomy<sup>57</sup>. In Georgian context, autonomy has not been embraced not because of inability of the HEIs to cope with the increased responsibility, but because autonomy has been mainly understood as another set of requirement imposed on HEIs by the ministry. Thus, the HEIs have acted accordingly, responding by compliance.

### **Issues for further exploration**

Provided evidence allows for further interpretation. First, at a system level the reform has produced only façade effects. The progress occurs only at the legislative level and the structure produced in accordance to the legislative framework is not functioning. Instead of decentralized, self-governing system higher education institutions in Georgia remain to be oligarchies, where hegemony of rectors prevail. Moreover, legislative changes are repetitive. Main evidence of the progress in the system is revision of the Law. Throughout six years of development (2004-2010), the Law on higher education of Georgia passed twenty amendments<sup>58</sup>. The amendments usually redefine the core framework of the higher education system.

Second, the amendments to the Law on higher education have increased 2008 onwards (seven amendments in 2008) in the direction of centralization<sup>59</sup>. High turnover of ministers (5 ministers within 6 years) followed by changes in the composition of the MES contributes to this outcome.

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<sup>57</sup> Sporn, B. 1999. *Adaptive University Sstructure*. London: Jessica Kingsley Publishers Ltd.

<sup>58</sup> primary source: [www.matsne.gov.ge](http://www.matsne.gov.ge)

<sup>59</sup> Ibid

The caveat that needs to be registered is that the ministry becomes predominantly populated by non-educators. Last two ministers have had a background in the Law and have not had any experience in educational systems. This could be one of the reasons why main changes are locked at the law-making phase. Law-making becomes an end in itself, rather than an enabling mechanism for system's transformation. As a result, the system constantly loops back to its inception phase, instead of actual development.

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