

D.Kizniene

Changes in Governance and Management of Higher Education in Lithuania

Draft paper

Five year period is not very long in terms of higher education governance. It means one term of government in the office, it comprises of one term government programme and its implementation. This paper will look into the higher education governance and management changes in Lithuania since 2000. At that year, the Lithuanian Parliament adopted a new law on higher education, which followed the Law on Science and Education, 1991. In four years time, President V. Adamkus called for a serious consideration of higher education reform in the annual address to the Parliament in 2005. The President highlighted a few concerns related with the inadequacies in funding and expansion of higher education; the quality of HE education graduates and the growing gap between higher education and society. Thus, the paper will analyse what happened in higher education governance and management within this period, which resulted in current considerations over the reform and concrete actions towards the start of reform.

The new law of 2000 brought more clarity and structure into the higher education system. It defined the system of higher education studies, professional qualifications and research degrees, the level and range of autonomy of higher education institutions, the state regulation system, higher education funding principles, the establishment of higher education institutions, the principles of assessment of higher education programmes, etc. However, the numerous amendments of the law followed the introduction of the law, which signalled the major weakness of the regulating document or its inadequacies with higher education developments. The problem with the law is that it is too general and abstract, when it was adopted, the version was changed so much (E. Butkus, 2005).

Governance Model

The regulation model of higher education as defined in the law and other regulating acts attempts to define roles and functions of key governing bodies. Government and the Ministry performs state regulation functions; Parliament has the highest legislative power. A number of expert institutions have different advisory roles to different governmental bodies. **Lithuanian Science Council** is an expert institution to the Government and Parliament on science and higher education organization and funding questions; **Higher Education Council** is an expert institution to the Ministry. The government approves its statute. **Rectors conference** coordinates the relations among the HE institutions and government bodies. And a number of other institutions/organizations like student organizations having a role in higher education policy were indicated in the law. **Ministry of Finance** plays a significant role in allocating money to higher education institutions.

(a graph illustrating the regulation model will be added)

Firstly, the problem has been noted with regulation is that responsibilities and functions of regulating bodies are dispersed. It becomes not clear who is responsible for what. For example, DHES (Department for Higher Education and Science) prepares funding proposal of higher education institutions based on funding formula, then the proposal is submitted to the Ministry of Finance for further adjustments. Then the proposal goes to the Education and Science committee of Parliament for the final approval. This dispersed arrangement of decision-making structures allows for the interest groups to lobby the outcome of the budget according to their interests. (interview with A.Zalys)

Secondly, the law foresees numerous consultations with expert groups, which in turn hinders any effective decision-making process (A.Zalys). Furthermore, members of these expert institutions are still elected, not appointed, except Higher Education Council.

Thus, some of the expert organizations clearly represent the interests of a certain group of society.

The Rectors Conference has a significant influence. If they are dissatisfied with the decisions of Ministry of Education and Science; through lobbying they approach other decision making institutions in higher education like the government or Parliament. (E.Butkus, 2005)

Thus, the **regulation model** inhibits effective decision making process due to the influence of influential expert organizations and due to numerous consultations; secondly, the authorities of governing bodies are weekend, due to dispersed roles and functions among several governing bodies.

Higher Education policy

In the governmental programme of 2001-2004 it was planned to prepare the higher education development plan, which would outline the state's aims and objectives, its development guidelines. The development plan was prepared by the Department of Higher Education and Science, however, it was to be approved or implemented. In the programme of 04-08, the Lithuanian government planned again to prepare and implement the higher education development plan. The main reason of failure to implement the plan of 01-04 is the lack of political determination and the failure to reach consensus/approval from the main interest groups. (A. Zalus) Thus for 5 years higher education sector was developing without clear state aims, without clear government higher education policy. The only clear aim *de facto* was the expansion of higher education.

There is a lack of strategic approach to higher education governance and lack of coordination of policy-making institutions (E.Butkus, 2005). Frequent restructuring of bureaucratic systems of HE (higher education) provided a negative impact on higher education policy and the implementation. People lost motivation and professionals left from the organization. (Zalus, 2005). *Department for Education and Science has been restructured several times, the last restructuring occurred in 2002.04.01, when it was incorporated into the Ministry of Education and Science DfHES* It has been claimed that Rector's conference *de facto* governs higher education (V. Daujotis et al, 2002,170)

Autonomy and accountability (relationships between HE institutions and the government)

The law on higher education defined broadly the autonomy of HE. The highest self-governing body of the university is Senate. (The Council is the highest-governing body of colleges) (Law on Higher Education, 2000). The majority of Senate consists of academic community, students make up to 10 percent. There is almost no external representation from the public. The senate elects the Rector for 5 years, no more than 2 terms. Formally, the Senate is responsible for many strategic decisions at the university, however, in practice, the Rector is usually takes on both, strategic and administrative decision. The university Council, which has the advisory role, consists of 1/3 external partners appointed by the Minister, 1/3 of members are appointed by the Senate, the other members are appointed by the common agreement between the rector and the Minister.

This governing model at the university has received much criticism. The World Bank study on knowledge economy in Lithuania, 2003, notes that key stakeholders are consulted on key policy issues, however, in higher education the "business sector is not sufficiently involved in government and institutional policymaking" and that they should business should be provided with policy authority in selected areas (World Bank Study, 2003). Claims are made that autonomy, due to a limiting function of external partners, made higher education institutions closed societies (V.Daujotis et al, 2002, 170), hardly influenced by society or market. The university will not be able to carry out significant

reforms, if the self-governing model is not changed as stated in the conference conclusions (2003).

Furthermore, the accountability process of universities is not clearly formulated in the law. There is no accountability mechanism foreseen in the law. (E. Butkus, 2005). Clearly, higher education institutions account for earmarked funding to the Ministry of Finance. However, the funding policy, based on input criterion, rather than output, does ensure better academic quality or better management of the institution. (1)

Other forms of accountability are not clearly defined in the regulating documents. Due to the lack of accountability mechanism, the amendments made in the law over the five years and other governmental regulations, showed an increased tendency of central and detailed regulation of a number of higher education areas. It resulted in the interference of the government into the autonomy over the academic affairs. (The conference, 2003) The study programmes, definitions of requirements for qualification standards, guidelines for doctor's degree and habilitation, the lists of scientific journals, etc., are regulated by the government.

The programmes are centrally regulated. The law does not allow to make the study programme more flexible (E. Butkus, 2005). Vilnius University in its annual report states that more rigid, meticulous regulations on study programmes do not allow the flexibility of the university. (VU report, 2005)

Autonomy seems to be quite restricted in terms material resources. For example, HE institutions do not own the property (the property belongs to the states ownership), which restricts the financial flexibility of institutions. The WB recommendation of transferring state property to HE institutions could unlock funding through funding system.

Thus, universities are unsatisfied that autonomy is too restricted, overregulated by bureaucratic laws. In return, the universities are blamed as closed institutions, not accounting to the society. Clearly, the balance of autonomy and accountability is not achieved.

Plans for change in HE governance

Clear commitments to involve more external partners and empower them by providing real authorities in strategic decision-making of HE governance has been recently proclaimed both in policy discourse and in the relevant policy documents. It is planned in the governmental programme of 2005-2009 the amendments of higher education law by changing, or expanding the functions of already existing university councils. The Lithuanian Science Council has put forward a similar proposal on empowering university councils (LSC, 2005).

The draft higher education development plan for 2006-2010 outlines four higher education strategic goals (DfHES, 2005). Two of them are clearly directed on the improvement of higher education governance at the state's level and institutional level of state higher education institutions. Ministry is inclined to look through the functions of expert institutions so that the law limits their power by explicitly stating that Ministry is not obliged to follow the recommendations of expert institutions.

Conclusions

In five years time, the higher education policy has not been clearly defined and communicated, which in turn has not stimulated any significant changes towards more efficient governance and management of higher education. Furthermore, the governance model as was set in the law both at the state level and institutional level has hindered tangible improvements in the higher education system. On the one hand, the governance model resulted in the overregulation of the system in terms of study programmes; reducing financial autonomy of the institution, etc. On the other hand, the institutional

governance model restricted the considerable influence of society and market on university policy. However, there is a clear dissatisfaction with the current higher education governance and higher education policy. Political will has started to accumulate for starting higher education and science reform. President office has shown clear position that higher education needs reforming by inviting higher education stakeholders to discuss the current situation in higher education (04/25/05, President Office). President has emphasized the role of Ministry of Education and Science as the leader in drafting reform plan and its implementation stages. (04/25/05, Public Relations of the President Office). Hopefully, the other five years will demonstrate determined actions in higher education governance.

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1. (Formula based funding is introduced, 2001, december 21, amendment of the law;

2/3 of funding is based on number of students accepted. Now it has changing and the notion of funding per student place is introduced; 1/3 based on output, research outputs, participation in research programmes)