Catharina Björkquist

Stakeholder Influence in Higher Education

Old Ideas in New Bottles?
Catharina Bjørkquist

Stakeholder Influence in Higher Education

Old Ideas in New Bottles?

Karlstad University Studies
2009:47
Catharina Björkquist. Stakeholder Influence in Higher Education - Old Ideas in New Bottles?

DISSERTATION

Karlstad University Studies 2009:47
ISSN 1403-8099

© The Author

Distribution:
Faculty of Social and Life Sciences
Political Science
SE-651 88 Karlstad
+46 54 700 10 00

www.kau.se

Printed at: Universitetstryckeriet, Karlstad 2009
Chapter Five
Stakeholder Regimes in Norwegian Higher Education Policy 1965-2006

5.1. Introduction ................................................................................................ 72
5.2. 1965-1986 A Welfare Regime with Elements of the Expert and Bargaining Regimes ............................................................................. 73
  5.2.1. An Expansive Period .......................................................................... 80
5.3. 1987-1997 A Welfare Regime with Entrepreneurial and Bargaining Features ......................................................................................... 82
  5.3.1. A Modernisation Process Begins ........................................................ 88
5.4. 1998-2006 The Entrepreneurial Regime with Traces of the Welfare and Bargaining Regimes ........................................................................... 89
  5.4.1. The Modernisation Process Continues .............................................. 96
5.5. Summary of Chapter Five .......................................................................... 98

Chapter Six
Stakeholder Influence at the University of Oslo 1965-2006

6.1. Introduction .............................................................................................. 100
6.2. 1965-1986 A Mix of the Expert and Welfare Regimes and an Emerging Bargaining Regime ................................................................................. 100
  6.2.1. A Democratisation Process ............................................................... 111
6.3. 1987-1997 A Mixture of Four Regimes ................................................... 114
  6.3.1. An Emerging Decentralisation Process ............................................. 124
6.4. 1998-2006 Features of the Entrepreneurial Regime Mixed with the Welfare and Bargaining Regimes ............................................................ 127
  6.4.1. A Decentralisation Process – and Ideas of Strong Leadership ......... 137
6.5. Summary of Chapter Six .......................................................................... 140

Chapter Seven
Stakeholder Influence at Telemark University College – and its Predecessors

7.1. Introduction .............................................................................................. 145
7.2. Background Information .......................................................................... 145
7.3. 1965-1986 Features of the Welfare Regime with Elements of the Entrepreneurial and the Bargaining Regimes ................................................. 148
  7.3.1. A Strong Public Involvement Process – and Local Cooperation ...... 156
7.4. 1987-1997 The Welfare Regime with Features of the Bargaining and the Entrepreneurial Regimes .......................................................... 159
  7.4.1. A Merger Process .............................................................................. 168
7.5. 1998-2006 The Dominance of the Entrepreneurial Regime ................. 171
  7.5.1. A Local Centralisation Process ......................................................... 178
7.6. Summary of Chapter Seven ..................................................................... 180

Chapter Eight
Tracing Continuity and Change in Stakeholder Influence

8.1. Introduction .............................................................................................. 185
8.2. Continuity and Change – the University of Oslo ..................................... 186
8.3. Continuity and Change – Telemark University College .......................... 194
8.4. Comparing the University of Oslo and Telemark University College .... 203
Chapter Nine
The Institutional Evolvement of Stakeholder Influence in Norwegian Higher Education ................................................................................................................ 209

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1 Introduction</td>
<td>209</td>
</tr>
<tr>
<td>9.2 Policy and Practice in Stakeholder Influence in Higher Education</td>
<td>210</td>
</tr>
<tr>
<td>9.3 Taking a Stakeholder Approach</td>
<td>216</td>
</tr>
<tr>
<td>9.4 Further Research</td>
<td>218</td>
</tr>
</tbody>
</table>

Bibliography ........................................................................................................... 221

<table>
<thead>
<tr>
<th>Source</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Official Documents</td>
<td>221</td>
</tr>
<tr>
<td>Primary Sources from the University of Oslo</td>
<td>223</td>
</tr>
<tr>
<td>Primary Sources from Telemark University College</td>
<td>224</td>
</tr>
<tr>
<td>Secondary Sources</td>
<td>226</td>
</tr>
</tbody>
</table>
List of Figures

Figure 2.1 Characteristics of norms and structures of the four stakeholder regimes ................................................................................................................. 41
Figure 2.2 Foundation for stakeholder influence in the four stakeholder regimes ........................................................................................................... 42
Figure 5.1 National higher education policy: Stakeholder influence between 1965 and 2006 ......................................................................................... 99
Figure 6.1 Stakeholders and the foundation for their influence at the University of Oslo, 1965-1986................................................................. 114
Figure 6.2 Stakeholders and the foundation for their influence at the University of Oslo, 1987-1997................................................................. 126
Figure 6.3 Stakeholders and the foundation for their influence at the University of Oslo, 1998-2006................................................................. 140
Figure 6.4 The University of Oslo: Stakeholder influence between 1965 and 2006 ................................................................................................. 144
Figure 7.1 Stakeholders and the foundation for their influence at Telemark University College, 1965-1986......................................................... 159
Figure 7.2 Stakeholders and the foundation for their influence at Telemark University College, 1987-1997......................................................... 170
Figure 7.3 Stakeholders and the foundation for their influence at Telemark University College, 1998-2006......................................................... 180
Figure 7.4 Telemark University College: Stakeholder influence between 1965 and 2006 ...................................................................................... 184
<table>
<thead>
<tr>
<th>English</th>
<th>Norwegian</th>
</tr>
</thead>
<tbody>
<tr>
<td>college council</td>
<td>høgskoleråd</td>
</tr>
<tr>
<td>National Centre for Continuing Teacher</td>
<td>Statens lærerkurs</td>
</tr>
<tr>
<td>Education and Courses’</td>
<td></td>
</tr>
<tr>
<td>National Council for Teacher Education’</td>
<td>Lærerutdanningsrådet</td>
</tr>
<tr>
<td>National Employment Service</td>
<td>A-etat</td>
</tr>
<tr>
<td>national framework curriculum</td>
<td>rammeplan</td>
</tr>
<tr>
<td>Norwegian Agency for Assurance in Education (NOKUT)</td>
<td>Nasjonalt organ for kvalitet i utdanningen (NOKUT)</td>
</tr>
<tr>
<td>Norwegian Association of Local and Regional Authorities</td>
<td>Kommunenes Sentralforbund (KS)</td>
</tr>
<tr>
<td>Norwegian Bookseller Association</td>
<td>Den norske Bokhandlerbransje</td>
</tr>
<tr>
<td>Norwegian College of Agriculture</td>
<td>Norges Landbrukshogskole-Ås</td>
</tr>
<tr>
<td>Norwegian Defence Research Establishment</td>
<td>Forsvarets forskningsinstitutt</td>
</tr>
<tr>
<td>Norwegian Handicraft Association</td>
<td>Norges Husflidslag</td>
</tr>
<tr>
<td>Norwegian Industrial Association</td>
<td>Norges Industriforbund</td>
</tr>
<tr>
<td>Norwegian Institute of Technology</td>
<td>Norges Tekniske Høgskole (NTH)</td>
</tr>
<tr>
<td>Norwegian School of Economics and Business Administration</td>
<td>Norges Handelshøgskole</td>
</tr>
<tr>
<td>Norwegian School of Management</td>
<td>Handelshøyskolen BI</td>
</tr>
<tr>
<td>Norwegian School of Sport Sciences</td>
<td>Norges Idrettskole</td>
</tr>
<tr>
<td>Notodden Teachers College*</td>
<td>Notodden offentlige lærarskole</td>
</tr>
<tr>
<td>Notodden Teachers College in Arts and Crafts*</td>
<td>Statens lærarskole i forming, Notodden</td>
</tr>
<tr>
<td>Nynorsk (literally new Norwegian) Association</td>
<td></td>
</tr>
<tr>
<td>Official Norwegian Reports</td>
<td>Norges offentlige utredninger (NOU)</td>
</tr>
<tr>
<td>programme paper (part of higher education institutions’ budget proposition to the Ministry)</td>
<td>programnotat (del av institusjonens budsjettframlegg til departementet)</td>
</tr>
<tr>
<td>Regional College Board</td>
<td>Regionalt høgskolestyre</td>
</tr>
<tr>
<td>result-oriented planning (ROP)</td>
<td>virksomhetsplanlegging</td>
</tr>
<tr>
<td>Telemark Business Administration</td>
<td>TEL-OK</td>
</tr>
<tr>
<td>Development Centre</td>
<td></td>
</tr>
<tr>
<td>Telemark Industrial Association</td>
<td>Telemark Industriforening</td>
</tr>
<tr>
<td>Telemark Educational Research – Notodden</td>
<td>Telemarksforsking – Notodden</td>
</tr>
<tr>
<td>Telemark Research Institute - Bo</td>
<td>Telemarksforsking – Bø</td>
</tr>
<tr>
<td>Telemark Sports Association</td>
<td>Telemark idrettskrets</td>
</tr>
<tr>
<td>Telemark Technological Research and Development Centre</td>
<td>Telemark Teknisk Industrielle</td>
</tr>
<tr>
<td>Telemark University College</td>
<td>Utviklingscenter</td>
</tr>
<tr>
<td>The Collegium</td>
<td>Høgskolen i Telemark</td>
</tr>
<tr>
<td>The Institute of Transport Economics</td>
<td>Det akademiske kollegium</td>
</tr>
<tr>
<td>The Research Council of Norway</td>
<td>Transportøkonomisk institutt</td>
</tr>
<tr>
<td>University College Board</td>
<td>Norges Forskningsråd</td>
</tr>
<tr>
<td></td>
<td>Høgskolestyre (etter 1994)</td>
</tr>
</tbody>
</table>

* The author’s translation. No official English translation has been found.
I am very grateful for all the help of my dissertation advisor Michele Micheletti. She combines the skills of being both demanding and supportive, and has provided valuable comments throughout the process. This acknowledgment is also written in memory of Susan Marton who became a friend in addition to advisor. Susan was a dedicated researcher who willingly shared her knowledge and experience as well as her network of friends and co-researchers. As advisor, she was demanding and eager to push the limits for what others could achieve at the same time as she was most caring and encouraging.

A special thanks to Eva L. Björk, the former dean at the Faculty of Business, Languages and Social Sciences, Østfold University College, who is positively responsible for this dissertation ever being started. I also want to thank Curt Räftegård, dean at the Faculty of Social and Life Sciences, Karlstad University, for finding my project interesting – even though the dissertation ended up as a different one – and for making me feel very welcome at the Department of Political and Historical Studies, Karlstad University.

I am indebted to my colleague Karen Patrick Knutsen for invaluable language support – she has made my English text so much more readable. I hold, however, the whole responsibility for any remaining misunderstandings and poor phrases. We also shared some memorable hours on our journeys to Karlstad University, along with another colleague, Wenche Falck, when this dissertation work started. I thank you both for many fun and edifying discussions. Furthermore, the support of my colleagues at the Faculty of Business, Languages and Social Sciences more generally, is well acknowledged.

Ole Langnes-Oyen and Vilborg H. Ísaksdóttir at the archives of the central administration at the University of Oslo and Monica Mårtensson at Telemark University College central archives have been of great help in the search for documents.

Parts of Chapters One, Two and Four of this dissertation have appeared in “Continuity and Change in Stakeholder Influence – Reflections on Elaboration of Stakeholder Regimes”, Reflecting Education, vol. 4, No. 2, (2008). Permission to use this previously published material is gratefully acknowledged.

Finally, thanks to my family for standing by me in spite of my pre-occupied mind these last years and for not letting me forget the joys of everyday life.

Kråkerøy, October 2009
Catharina Bjørkequist
Chapter One

Reforming Higher Education – Stakeholding

Institutions have increasingly taken power from the collegium, and internal structures have emerged to administer initiatives sponsored by central government.

Maurice Kogan

1.1 Introduction

The notion of stakeholding has recently come up more frequently – not only in management literature, but in policy studies in general and higher education in particular (Maassen and Cloete 2002, Marstein 2003, Neave 2002, Nyseth and Ringholm 2004). The Norwegian political scientist Johan P. Olsen mentions stakeholders as a part of the service enterprise model, and points out that the higher education institution is dependent upon external actors (Olsen 2005). He argues that university autonomy and academic freedom are actually threatened by a stakeholder approach. Guy Neave, professor of Comparative Higher Education Policy Studies, advances the same argument while claiming that the stakeholder society is something new (Neave 2002). I will argue that in Norway, there is a rather long tradition of stakeholder influence. External representatives, i.e. stakeholders, have been involved in the internal governance of university colleges for a long time, at least in the Regional College Boards and later in the University College Boards. If the term “stakeholder” is defined more broadly, going beyond external representation and formal participation in decision-making bodies, one may argue that, to a certain extent, the universities have also had a long tradition of internal stakeholders. The democratisation of the universities in the late 1960s and early 1970s implies, for example, that more categories of university employees, as well as students, were given formal roles in the decision-making process than was the case in the universities at the beginning of the 20th century.

Theoretically, the term stakeholder in management literature has had two main consequences for how companies and their relations with the surrounding world have been analysed. First, the number of actors and groups of actors has

1 (Kogan 2001:351)
increased, i.e. stakeholders that the companies have to take into consideration. Second, the companies have to pay attention to the stakeholders’ values and beliefs (Neave 2002). The subject of stakeholder theory has traditionally been the company. When the theory is applied to higher education institutions, this implies that the term itself expands to take other important external actors and networks into account (Maassen 2000). Much of the literature on stakeholders in higher education is on the one hand closely related to strategic management and concentrates on the importance of stakeholders (Burrows 1999, Goedegebuure et al. 2006, Goedegebuure and Lee 2006). On the other hand, stakeholding is perceived to be part of the increasing managerialism in higher education and thereby perceived as something new (Neave 2002, Maassen 2000, Amaral and Magalhães 2002).

Several publications refer to the use of managerialism and more market-like steering mechanisms in higher education (Olsen 2005, Bleiklie 1996b, Gornitzka and Maassen 2000, Gornitzka and Maassen 2003, Kyvik 2002a, Larsen and Norgård 2002). The higher education reforms are part of a whole range of administrative reforms more generally referred to as New Public Management – focusing on modernisation and improving efficiency. Parallels can for example be drawn to what has happened in the Norwegian health services (Bleiklie, Byrkjeflot & Østergren 2003, Michelsen and Aamodt 2006). Along with quality, efficiency has become a core value in the public sector, including higher education. General leadership and management changes have been implemented in the public sector throughout the years. This also applies to higher education. Even though a traditional system based on collegiate principles is still present in Norwegian higher education institutions, it is weakened and co-exists with more management and business oriented leadership and decision-making structures (Bleiklie, Ringkjøb & Østergren 2006, Larsen 2003). Performance indicators and incentives, for example the number of entrance students and graduates or research publications, have become decisive factors for funding (Bleiklie, Høstaker & Vabø 2000). At the same time as these changes are being implemented, higher education faces a whole range of new demands. Questions about the relevance of higher education in society and its societal legitimacy are ever more frequent. The relationship between higher education, state and society seems less self-evident than before (Olsen 2000).

At the end of the 1980s, Norwegian higher education institutions were increasingly regarded as “regular state agencies subject to a common steering system” (Kyvik 2002b:56). Along with this statement and the fact that features
of the higher education reforms listed above are also to be found in other policy sectors, the higher education sector is a suitable case for (1) studying general reforms of the public sector from a more general point of view, and (2) studying how the reforms affect stakeholder influence. Of particular importance for this study is whether the reforms have actually changed practice within the universities and the university colleges. Furthermore, do these reforms allow new actors – that is new stakeholders – to play a role that allows them to exercise influence on higher education policy? Have old actors lost influence? If we assume that the other policy sectors (e.g. the health sector) have common features, this study may also prove to be of interest beyond the higher education sector.

During the last 20 years, there have been major changes in national policy regarding the governing of the public sector in most European countries – including Norway. The welfare state has been put under pressure and there has been rising demand for cuts in public spending. Since the late 1980s the private sector has been the role model for reforms in the public sector. The reforms are, among other things, characterised by market orientation, the use of contracts, performance assessment and management by objectives (Christensen 1991, Christensen and Lægreid 2002, Christensen et al. 2007, Tranoy and Østerud 2001). Today the civil service is more often regarded as a provider of services and the citizens as clients or consumers. Measurable aspects of public activity are given priority and the main focus is on efficiency and effectiveness. These reforms are most often gathered under the label New Public Management (NPM) whose ideological platform is derived from neo-liberal ideas. This market-like model focuses on economic norms and values such as productivity and functional rationality. This also involves instrumental and rational thinking in understanding reform processes and the relationship between objectives and desired outcomes. In Norway, this reform process is often referred to as modernisation of the public sector. Compared to other OECD countries; Norway was a reluctant reformer in the 1980s. But the reforms introduced since the 1990s have been both more radical and more powerful (Olsen 1996).

Universities and university colleges are important societal institutions (Bleiklie, Høstaker & Vabø 2000, Bleiklie 1996a). Large sums of public money are spent on the higher education sector. In 2009, public funds allotted to Norwegian universities and university colleges amounted to NOK 23.9 billion

---

2 In the following, power and influence are used synonymously, cf. Mintzberg 1983. This is, however, not in line with Lukes 2005. For a further discussion of the terms, see Chapter Two.
(approx. 2.8 billion euros). Higher education institutions have a multipurpose nature centred round academic knowledge, and involving the extension, application and dissemination of knowledge (Geiger 2004). As such, they are important objects of study.

This dissertation investigates norms and structures in higher education policy and practice and the changing power relations of stakeholders. My motivation for exploring the stakeholder concept over time – as applied to a university and a university college – is, first, to investigate whether policy reforms make any difference for stakeholder influence. Applied to higher education, stakeholder theory can clarify how these higher education institutions relate to their environment. Second, the concept can shed light on the changes taking place in higher education, i.e. I want to explore whether the concept contributes to the identification of actors and the foundation for their influence. Has stakeholder influence existed earlier, perhaps in another form and to a more limited extent? Put differently, is it a question of old ideas in new bottles? According to Neave (2002:19), the advantage of applying the stakeholder perspective in researching higher education policy and management is the possibility of combining different elements such as government relationships, shifts in governance and internal management. In a Norwegian context where the higher education institutions are publicly owned, both the Government and the Parliament are important stakeholders in the higher education institutions. The same applies to the Ministry of Education, which administers national policy. It can be interesting to examine whether this could be a fruitful approach to the study of higher education policy and practice, with regard to both on-going and previous reforms. Using this perspective can show how stakeholder influence has developed over time.

In carrying out this study of stakeholder influence we gain a better understanding of possible changes in power relations within higher education. Influence and interests are important, classic subjects in political science. It is both interesting and important to analyse policy in practice. One way of doing so is to examine the impact of different governance tools on stakeholder influence in the higher education institutions and who the actors are. We may thus learn more about what actually happens in the higher education institutions’ practices and how this relates to national policy.
1.2 Research Purpose and Specific Research Questions

The general aim of this dissertation is to study university governance in Norway. The dissertation is a case study of the University of Oslo and Telemark University College during the period from 1965 to 2006. The time span comprises some of the major reform processes in Norwegian higher education policy which makes the period both interesting and important. The Ottosen Commission, appointed in 1965, was the first Norwegian Commission ever established to assess all post-secondary education. The reform initiated by the Hernes Commission in 1994 involved a merger of 98 colleges into 26 university colleges. Furthermore, public universities and university colleges were shortly thereafter regulated by one common act for the first time. The Quality Reform in 2003 – which succeeded the Mjøs Commission – was both a management reform and a study programme reform. Finally, the report from the Ryssdal Commission in 2003, resulted in a new law which made many organisational solutions optional, for instance whether the rector of a higher education institution ought to be elected or appointed. The reforms based on these Commission Reports are further discussed in Chapters Five, Six and Seven. The question this dissertation deals with is whether changes in norms and structures increase or decrease certain stakeholders’ or groups of stakeholders’ influence as well as how and why this can vary over time. Stakeholder influence is discussed in Chapter Two.

The overall scientific question of this study is:

What changes in stakeholder regimes can be observed between the 1960s and the present and what are the consequences of these changes for stakeholder influence in Norwegian higher education institutions?

The aim of this dissertation is threefold. First, in order to answer the overall question, I will develop a theoretical framework, i.e. theoretical models of four stakeholder regimes: the expert, welfare, bargaining and entrepreneurial regimes respectively. This will be done in order to construct a theoretical framework for the analysis of the norms and structures that affect stakeholder influence – here in higher education policy and practice. The contribution of this dissertation is that stakeholder theory is linked to a specific selection of normative and structural aspects of governance in general – not necessarily specific to higher education. The development of the stakeholder regimes is based on public administration literature, governance models and stakeholder theory. This makes it possible to analyse how e.g. changing views of the purpose of higher
education, changes in authority tools, the introduction of participatory organisation, and closer ties with the market, affect the influence of stakeholders. In the following, I do not examine the influence of particular individuals who have been part of higher education policy and institutions (e.g. individual ministers of education, individual rectors, etc.). Instead, my focus is on “the fluctuation of influence within and around the organisations” (Mintzberg 1983:2).

The second aim is to investigate which norms and structures for stakeholder influence have developed in national policy over time and the organisational responses of two selected higher education institutions. The question is how well do the theoretical models correspond to a) national policy and the reforms brought about and b) how these reforms have been interpreted and adapted in the selected institutions; the University of Oslo and Telemark University College. The empirical contribution of my dissertation will be an in-depth study of stakeholder influence at these two institutions during a period of about 40 years, i.e. as examples of higher education practice. According to higher education scholars, there is a need for more studies that focus on “local reactions and adaptations to system policy” and “inter-institutional” and “historical research” (Tight 2003:135). This study will thus contribute to filling this need.

The third aim is to explain whether and/or how stakeholder influence changes over time. Historical institutionalism will here be applied as an approach for explaining continuity and change in stakeholder influence. The contribution of this dissertation will be to explore the use of historical institutionalism at an organisation level in contrast to the more commonly emphasised macro level. The choice of historical institutionalism, which involves ideas of path dependency, stems from a desire to explore the temporal dimension in higher education practice. In this dissertation, practice refers to the interpretation and adaption of national policy at the two selected higher education institutions: the University of Oslo and Telemark University College. The study attempts to explain how not only that the past matters – but also how it matters. The two dimensions from the first research question below – norms and structures – will be applied as an overall theoretical framework.

The specific research questions are:

1. Which norms and structures (institutional arrangements) for stakeholder influence in higher education policy and practice have developed during the period 1965-2006?
2. How and why have the norms and structures for stakeholder influence in higher education practice changed or been continued over time?

The first dimension to examine in order to answer research question one is norms. Norms are here defined as “collectively shared convictions” (Thelen 1999:375). Norms are analysed as consisting of ideas about the purpose of the universities and university colleges expressed as cultural vs. utility values, the role of the state, demands placed upon them, stance towards students and finally, reason for autonomy.

The second dimension of research question one is structures – referring to institutional arrangements that “exercise collective control and influence over the societies and economies for which they have been given responsibility” (Peters 2001:1). This includes both external governance tools at the system level and internal organisation. The following tools will be applied in this dissertation: treasury, authority, internal organisation, decision-making system and assessment.

Using these two dimensions, Chapter Two develops four stakeholder regimes, the expert, welfare, bargaining and entrepreneurial regimes respectively. They are defined as follows. The expert regime, a term used to designate that the professors – the experts – have the most influential positions and thereby shape policy and practice. The regime assumes that higher education institutions are based upon cultural values. The use of block grants and basic laws aim to ensure that allocations and decisions are made according to traditions and institutional values. The professors are the main internal stakeholders – exercising voting and political influence. The only relevant and legitimate external stakeholders are those of the national authorities.

In the welfare regime higher education institutions are based upon utility values. Tied grants, detailed laws and leaders appointed by the authorities are used in order to secure the implementation of public policy. National authorities – as external stakeholders – are given a role that allows them to exercise voting, economic and political influence. The label welfare regime reflects the idea of shaping policy and practice through strong governance – here the Scandinavian model.

Within the bargaining regime, on the other hand, outcomes are based on negotiations and conflicts between interest-based groups of actors. The regime entails that higher education institutions are based upon cultural values. Grants and allocations are negotiated between affected parties. Internal organisation and management are founded on representation and leaders are
elected among the employees. Internal stakeholders play a major role in forming and governing the higher education institutions.

The entrepreneurial regime implies that higher education institutions are based upon a combination of both cultural and utility values. Block grants and basic laws are means of decentralisation. Ideas of the market, competition and performance affect decisions and principles for internal organisation. Leaders are appointed not only for their academic merits, but also on the basis of their managerial skills. In addition to national authorities, the role of local and regional partners’ positions as external stakeholders are strengthened compared to the other regimes. The denotation of this regime as ‘entrepreneurial’ stems from the need to include ideas of innovation and entrepreneurship – essential in higher education policy for more than a decade – and not only the more common ideas of liberalisation and managementism.

When it comes to steering higher education policy one finds stakeholders from three spheres in interaction; state, civil society and higher education institutions. But the constellations and mixtures vary over time (Maassen 2000). Based on previous research (cf. Burrows 1999, Larsen 2003, Maassen 2000, Neave 2002, Olsen 2005) and adapted to a Norwegian context of publicly owned higher education institutions, the following list of potential stakeholders may function as a point of departure for the discussions of stakeholder influence in Chapters Five, Six and Seven:

- The Government and the Parliament, authorities at the national level such as the Ministry, local and regional governments and administration
- Agencies for quality assessment, expert councils and superior boards
- Employees, both academics and technical/administrative staff
- Students
- Local and regional business actors
- Other higher education institutions than the one in question at a specified point in time

Both the university and the university college will be objects of study in this dissertation. One motivating factor for this choice is that less research has been done on university colleges than on universities.\(^3\) But it also makes it possible to

---

\(^3\) One exception is a series of three books published by Fagbokforlaget in 2002 and edited by Kyvik, Svein, Gammelsæter, Hallgeir and Michelsen, Svein and Halvorsen, Tor respectively. Another is the evaluation of the 1994 merger of the university colleges carried out by researchers at NIFU STEP.
compare an older higher education institution with a more recent one. It is, for
instance, interesting to explore whether the external stakeholders have more
influence in the new institutions, whether both higher education institutions
have undergone the same changes or not, and if so, why.

1.3 Explaining Continuity and Change

Previous scholarship shows that higher education institutions in general are
More specifically, Norwegian higher education institutions are described as
relatively stable although the policy instruments have changed considerably
(Bleiklie 2000, Bleiklie 2005, Kogan et al. 2006). Historical institutionalism
claims that institutions can be both resilient and resistant. Furthermore, long
periods of development are often characterised by apparent stability though
there may be actual, albeit subtle and incremental change (Pierson 2004, Thelen
2003). Much higher education research has focused on change rather than
continuity. It has thus been claimed that continuity should be emphasised more
(Tight 2003). Applying historical institutionalism as a means of focusing on
subtle and incremental development over a relatively long period may
contribute to such an analysis of continuity.

From a historical institutionalist approach, time or previous history, is an
important factor. Policy development over time is affected by institutional
factors (Hall and Taylor 1996, Thelen 1999). This implies a process-oriented
approach to understanding policy and practice and a focus on the starting point
or “origin” of the processes and how the processes unfold over time.
Accordingly, it becomes important to establish what makes the process take
certain directions rather than others and whether or not the development is
characterised by continuity. In this regard path dependency constitutes an
important concept within historical institutionalism. The main idea is that
earlier events in the policy process affect what may be considered as available
solutions later on (Peters 1999b). This is due to the idea that results and effects
from the first choices become reproductive. However, this is not to be
understood in a deterministic sense implying that no other options exist.
Rather, some choices are just ruled out due to earlier events (Wood 2001).

4 In this dissertation, the term institution is to be understood in two ways. One is theoretical, i.e.
defined as “building-blocks of social order: they represent socially sanctioned, that is, collectively
enforced expectations with respect to the behavior of specific categories of actors or to the
performance of certain activities” (Streeck and Thelen 2005:9). The other is linked to higher
education as an empirical field: the universities and university colleges investigated are thus referred
to as institutions, in line with higher education literature.
Consequently, sequences of events affect policy outcomes and institutional change and stability. But the path may be changed or replaced by critical junctures that punctuate the policy process equilibrium and gradually result in a new equilibrium.

One example of such major events in higher education is the waves of expansion in Norwegian higher education. From 1968 to 1975, the number of students at the universities multiplied fourfold, ending up at about 40,000. The second wave lasted from 1988 to 1995 when the number rose to 80,000 (Vabø and Aamodt 2005). At the same time, the number of students at the colleges and university colleges also expanded and reached about 96,000 in 1995 (Aamodt and Støle 2003). The student rebellion which took place in the late 1960s and early 1970s has also had important effects on university practice with regard to student participation. A general workplace democratisation took place almost simultaneously. These events may have played a significant role in the practice of the universities and university colleges giving more stakeholders the right to participate in decision-making bodies. Such events may qualify as critical junctures punctuating the existing equilibrium. Furthermore, at the same time as workplace democratisation was taking place, the Government established regional colleges in each Norwegian region. Regional political arguments were important in this process, i.e. new vocational study programmes and certain university subjects would presumably contribute to regional development. Later on internationalisation, e.g. the Bologna process may have been another major event affecting both national higher education policy and the institutions. This is again partly linked to the general liberalisation trend mentioned in the introduction.

Critical junctures, sequences of time and punctuated equilibria become essential in the explanation of important political outcomes. But existing literature on historical institutionalism has not been good at “specifying the mechanisms that translate critical junctures into lasting political legacies” (Thelen 1999:388). Additionally, types of gradual transformation may capture change that is not abrupt but incremental and slow-moving. In this dissertation, the following types will be discussed: layering, conversion, displacement, drift and exhaustion (Streeck and Thelen 2005).

1.4 Analytical Approach – Policy Tracing

Policy process tracing focuses on the sequence of events in the policy process. As an analytical method, it is somewhat similar to what others have called
pattern matching (Bennett and George 1997, Yin 2003) or systematic process analysis (Hall 2003). In this dissertation it will be applied as a mode of making inferences about causal mechanisms in order to explain changes in stakeholders’ power relations. Using the definition from Bennett and George, causal mechanisms are to be understood as “… the causal processes and intervening variables through which causal or explanatory variables produce causal effects” (Bennett and George 1997:2). They point out that the causal mechanisms are not directly observable, i.e. physically, but may include different social processes such as information, purposes, beliefs and interactions.

The focus on the sequence of events implies that multiple observations are analysed to recreate how the processes unfold (Hall 2003). In this study this will be done by examining a relatively long period of time, about 40 years, and one university and one university college. Furthermore, Hall (2003) points out that process tracing is extensively guided by theory in order to study the history behind the outcomes. The stakeholder regimes will function as theoretical guidance.

1.5 Dissertation Outline

The dissertation begins with the development of a theoretical framework for investigating the development of stakeholder influence. This is done in Chapter Two, which reviews various governing models and stakeholder theory. Chapter Three deals with how continuity and change in stakeholder influence can be studied by using historical institutionalism. The research design, data and methods are discussed in Chapter Four. This includes a discussion of the selection criteria of cases, periodisation and more on policy process tracing as well as material selection and relevance. This chapter is presented rather late due to the fact that the research design and methods are highly dependent on the theoretical approaches taken in the two preceding chapters. Chapter Five gives an empirical analysis of national higher education policy by adopting the stakeholder regimes from Chapter Two. It serves the purpose of answering research question number one regarding policy. Chapters Six and Seven present an empirical analysis of the development in the practice of stakeholder influence at the University of Oslo and Telemark University College, respectively. The summaries of each of these two chapters also include a

5 Several sources underline that they are not talking about explanation in a strictly scientific way such as estimating correlation through congruence tests (Bennett and George 1997, Thelen and Steinmo 1992). Explanations built on causal mechanisms thereby say nothing about the strength of interaction effects.
comparison of the evolvement of stakeholder influence over time. Chapter Six and Seven thus answer the second part of research question number one. Chapter Eight answers research question two. In this chapter the empirical data relating to continuity and change in stakeholder influence at these two higher education institutions are summarised and further analysed in an effort to identify mechanisms which can explain the development – given the theoretical framework of the study. The explanations for this development within the two higher education institutions are compared. The concluding chapter, Chapter Nine, sums up my findings. Practice at the two institutions is compared with national policy in order to ascertain whether national public policy matters. The chapter also discusses the contribution of historical institutionalism and a stakeholder perspective as applied in this dissertation.
Chapter Two
Developing Stakeholder Regimes

2.1 Introduction

The aim of this chapter is to develop a theoretical framework for the analysis of both higher education policy and practice at individual higher education institutions over time. Four stakeholder regimes, the expert, welfare, bargaining and entrepreneurial regimes, have been developed using different governance models and stakeholder theory. This chapter also aims to show how the regimes have been developed and to reveal some of the underlying considerations I have made during this process. This involves a discussion of the terms norms and structures as well as a review of relevant governance models and stakeholder theory. The purpose is to develop the regime categories as a theoretical framework for analysing how norms and structures might affect stakeholder influence.

These models will be designated as regimes. A regime is defined as the principles, norms, rules and procedures on which the actors’ expectations can agree (Krasner 1982). This definition includes a group of actors. Furthermore, it incorporates a set of rules, or what is consistent with “set[s] of governing arrangements” (Keohane and Nye 1977:17). There are several reasons for using the concept of regimes and not steering or governance models in this dissertation. Use of the term originates in my desire to find a concept that makes it possible to incorporate the notion of stakeholder – and thereby actors – in all the governance or steering models. This is in contrast to the assumption that external stakeholders only form part of a market model and are thereby expected to be a more recent phenomenon – as claimed by, for instance, Olsen (2005). Finally, it implies that beliefs can be added to the framework, since Krasner defines principles as “beliefs of fact, causation and rectitude” (Krasner 1982:186). The regime concept is thus more theoretically encompassing.

The chapter starts with a presentation and discussion of the two dimensions: norms and structures. Thereafter follows an overview of stakeholder theory, i.e. how it may be applied to higher education and not merely be used as a tool for strategic management. Next, stakeholder influence is discussed. Finally, four stakeholder regimes, understood as ideal models, will be developed, based on the previous discussion of stakeholder theory and governance models.
2.2 Previous Research and My Research Task on Governing Public Institutions

There are several examples of earlier research on policy instruments and governance arrangements in the field of higher education – ranging from ideas about the mission of higher education to more direct control mechanisms (Olsen 2005, Bleiklie 1996b, Larsen and Norgård 2002, Larsen 2007, Bleiklie 2000, Maassen 2003, van Vught 1989). Much research about European higher education policy has shown a general shift from state control to state surveillance or supervision (Maassen and van Vught 1994). This may be regarded as reflecting the contrast between the old traditional bureaucracy and the modern, reformed public sector administration (Hood and Peters 2004, Light 1997, Pollitt and Bouckaert 2004).

The university has been described as a public agency, a cultural institution and a corporate enterprise (Bleiklie 1996b). These descriptions include normative expectations directed towards the university and more structural elements such as legislation and budgetary policy and the organisation of internal decision-making bodies. Olsen (2005) presents four stylised visions of the university as 1) a self-governing community of scholars 2) an instrument for national political agendas 3) a representative democracy and 4) a service enterprise embedded in competitive markets. These visions are based on his earlier state models for studying the relationship between central authorities and agencies. Furthermore, they represent different approaches to governmental control and steering as well as to the institutional context of the policy process (Olsen 1988a, Olsen 1988b). Other scholars (cf. Bleiklie, Høstaker & Vabø 2000, Larsen 2007, Marton 2000), have worked along the same line, presenting three or four models in order to investigate differences in governance and management in higher education. This is also in line with some of the general public administration research claiming that several governance and steering principles co-exist (Peters 2001).

There are several reasons why I do not apply any of these frameworks as they stand. Despite the number of existing models, I found them hard to apply to empirical analyses designed to cover both national policy and organisational practice. First, the frameworks are either very general when it comes to specifying the categories for the different governance models. Second, there is a tendency to focus mainly on structures, i.e. institutional arrangements as steering instruments. The contribution of this study is to include additional, normative aspects. Third, where the stakeholders are incorporated they are seen as a new phenomenon and not as something that has existed for some time.
though their nature may have changed. The contribution of this research is to test the relevance of the latter assumption – applying the concept of stakeholders to a study covering a period of about 40 years. Finally, scholars studying public administration reforms in general claim that many of the recent public administration reforms contain elements which are not new (Peters 2001, Hood et al. 2004). Accordingly, there is a need for analytical frameworks that can capture a multitude of both governance instruments and normative foundations which may incorporate not only what is new but also what remains of previous governance models. In order to handle this challenge, this study emphasises the advantage of developing four – and not just two – stakeholder regimes.

2.3 Norms

Returning to the research questions outlined in Chapter One, norms are the first dimension which presumably affects stakeholder influence; which norms and structures for stakeholder influence in higher education have developed over time? The explicit study of norms is driven by a desire to emphasise the normative foundation and – if possible – the ideological trends in policy and practice. Norms are interesting for several reasons. First, they offer a way of examining the “foundational values and principles” (Olsen 2005:32) of higher education institutions and of the ideas about governance of such public institutions. Second, applying a norm dimension in my analysis appears to be a gainful way of revealing how higher education policy is advocated. This is important in understanding the higher education institutions’ practice and will hence contribute to answering the research questions outlined in Chapter One. Third, when steering mechanisms, both at the system-level and at the internal organisational level are analysed it is important to ascertain which norms they are based upon, in addition to whether the norms and structures of a given policy may be in conflict. Finally, this implies that the norms and structures within the stakeholder regimes may interact with each other. This will be further discussed in Section 2.7.

The norms examined in this dissertation are: cultural and utility values, the role of the state, demands on higher education, stance towards students and reason for autonomy. The norm dimension does not imply that the norms of each and everyone within the selected higher education institutions examined are included. The focus of this study is on how the higher education institution or
each faculty as a whole presents itself to others and interprets and adapts national policy.

The distinction between cultural and utility values is commonly used in higher education studies to describe the purpose of higher education institutions and, for this reason, this distinction is used in this dissertation (Marton 2000, Bleiklie et al. 1996, Gumport 2000). This coincides with the distinction between higher education institutions as ivory towers or as businesses, respectively. The same distinction applies here. Hood (1983), the foremost researcher within executive government and regulation, argues that dispensing information and policy signals may be one way for government to control public agencies – often without necessarily putting its authority at risk. Governmental statements of overarching goals, descriptions of ideas and the purpose of higher education institutions are interesting with regard to how they vary over time and if they have any effect on stakeholder influence.

Ideas of how the state is supposed to operate with regard to public agencies in general and the higher education institutions in particular, are, as shown in general public policy research, important (Peters 2001, Olsen 1988b). This is a question of how – if at all – the state should steer society, i.e. higher education institutions. The aspect the role of the state helps explore the ideological trends.

The norm of autonomy is important in the relation between the state and the higher education institutions (Kogan and Marton 2006, Marton 2000). In his earlier work, Olsen (1988b) does not restrict the idea of autonomy to higher education. Any state agency may have autonomy, but the degree and the justification for it may vary. This dissertation applies the term reasons for autonomy, which correspond with both Olsen’s general state models and his visions of university models. Questions about the relevance of higher education in society and its legitimacy are ever more frequent. Societal responsibility in this arena is no longer taken for granted (Olsen 2000). There is concern about whether higher education is supposed to serve the society as whole, deliver services or implement public policy. In this dissertation, demands on higher education institutions refer to such norms.

Given the role that students play in higher education institutions, the stance towards students is an interesting category. Students are often referred to as consumers. They may also be treated as participants in the education process. Attaining an education and gaining knowledge for its own sake are not necessarily the only reasons for higher education. The stance towards students might just as well involve the importance of an education in obtaining a job.
2.4 Structures

The second dimension of the dissertation’s first research question concerns the structures of institutional arrangements for exercising “collective control and influence over the societies and economies for which they have been given responsibility” (Peters 2001:1). The structures include both external governance instruments at the system level and internal management and organisation. The design of laws and formal authority, principles for funding and internal organisation are all important governance instruments for analysing not only the relationship between government and any public agency, here represented by the higher education institutions, but also the practice of the latter. The following selection considers governance instruments for the stakeholder regimes described in this study. However, it is important to show not only which instruments exist but also the different ways in which they are used, i.e. what kind of treasury tools, legal regulations, etc. the government applies at any given time. As stated above, there are several examples of earlier research on policy instruments in the field of higher education (Larsen and Norgård 2002, Bleiklie 1996a, Larsen 2007, Bleiklie 2000, van Vught 1989, McDaniel 1997). Both the number and the names of the instruments may vary according to the purpose of the study and assumptions about how people behave (Schneider and Ingram 1997). If we turn to Hood (1983), we find examples of instruments such as Treasury and Authority as well as Internal organisation. Olsen (1988a, 1988b, 2005) incorporates Decision-making system and Assessment in both his state models and his visions of the university. In the following, these instruments are discussed more thoroughly.

Treasury is to be understood as what makes it possible for the “government to exchange, to buy favours, to court popularity, to hire mercenaries” (Hood 1983:40). In higher education, funding tools range from tied grants to block grants, possibly with some kind of performance based allocations. In Norway grants have been tied to the number of students and the production of graduates. In addition, there are economic incentives for research publications (Bleiklie 2000). More input oriented mechanisms may also be used. Examples of these are activities given priority in national budgets, established posts and construction activities initiated by the government (Larsen and Norgård 2002).

Authority tools rely on the ability to make laws and regulations which actors and agents are expected to respond to and to obey (Schneider and Ingram 1997). These regulations grant permission, prohibit, command and recommend. However, the degree of constraint and enablement may vary (Hood 1983).
Designed as directives these tools may regulate the institutions' activities in detail. Laws and regulations may, however, be the result of negotiations that include affected parties. Finally, imposed as basic laws and regulations they provide the institutions with more room for manoeuvre within a given framework. In Norway, laws and regulations have traditionally regulated examinations, the degree structure, the institutions' activities, appointments authority and internal organisation (Larsen and Norgård 2002, Bleiklie 2000).

Internal organisation allows the government to control and influence “its subjects, their property or their environment” (Hood 1983:73). Internal organisation enables direct action and affects the extent to which the individual institutions can independently decide how to organise themselves and which forms that organisation may take. This includes who is eligible for the board, whether external representation is compulsory or not and whether leaders are elected or appointed – and by whom (Olsen 2005).

Additionally, Olsen (1988a, 1988b, 2005) applies the framing of the decision-making system and forms of assessment in his state models and visions of the university. The decision-making system deals mainly with how the authority structure is organised and on which principles it is based, i.e. decentralisation, hierarchy, dialogue or the adoption of market mechanisms. Assessment, in contrast, refers to how activities such as research and education are controlled and by whom. The question is whether assessment is to be carried out by the community of scholars, or if it should be ex ante or ex post.

Before expanding further on the stakeholder regimes, a discussion on stakeholder theory and on stakeholder influence as applied in this dissertation is needed. Accordingly, the following sections deal with stakeholding and stakeholder influence respectively.

### 2.5 Stakeholding

The aim of this section is to clarify how the concepts of stakeholder and stakeholding can be used to understand changes in influence in higher education as an effect of changing norms and structures. This is a different approach than that used in most of the management literature where mapping stakeholders is part of strategic management. However, in order to explore how the concept has been applied this presentation will take management literature as a point of departure. This is also the kind of stakeholder theory most commonly referred to in the higher education literature. Finally, I discuss how
stakeholders can be understood and categorised in the following analysis of higher education policy and practice.

Many regard the well-known scholar of Business Administration R. Edward Freeman as the initiator of modern stakeholder theory (Marstein 2003, Andriof et al. 2002). He defines stakeholders as “groups and individuals who can affect or are affected by the organisation’s purpose” (Freeman quoted in Andriof et al. 2002:13). Stakeholder theory is an important approach when it comes to business ethics in general and company ethics more specifically. It is, therefore, important to understand the norms and structures that govern the corporate world. The point is that leaders should not only take shareholders into account but also others who hold a “stake” in or are affected by their decisions. Freeman (Andriof et al. 2002) argues that companies meet two types of critique. Some critics claim that companies are driven solely by the quest for profits, undermining the values of community and solidarity. Others claim that companies do not contribute as large a portion of profits as they might have if the shareholders’ interests and values had been the prime focus. Freeman claims that management theory and practices are in need of an approach in which not only shareholders “win” but also in which the interests of stakeholders are taken into consideration.

Higher education institutions, like industries and businesses, face new and complex demands. They are, for example, expected to open up and interact with other actors than the state. Not only the state as owner of the institutions, but local authorities, local industries and businesses, employees and so on demand that their interests be heard by the institutions of higher education. Furthermore, as discussed earlier, public sector agencies are adopting steering mechanisms and ways of thinking from the private sector. This does for instance involve an emphasis on result-oriented planning and the use of performance indicators. The way that private enterprises organise their activities now serves as a model for the public sector in general and the higher education sector in particular.

In Scandinavian stakeholder theory from the 1960s and 1970s, workplace democracy and management were central elements. In an early version of stakeholder theory, the stake itself was not the most important thing. The focus was rather on what contributions the stakeholder could make and what reward they should get (Näsi 1995). This dissertation supports this broader view. Accordingly, interactions and transactions become more important than the interest, or stake, itself. There are different kinds of transactions: goods, services, information, status, power, etc. For higher education institutions the
transmission and development of knowledge are intrinsic. Consequently, stakeholders interacting and transacting with the higher education institutions on the development of knowledge are relevant for this study.

In the introductory chapter, I noted that Neave (2002) argues that the stakeholder society is something new and that higher education institutions are no longer autonomous collectivities but stakeholder organisations. This implies a change in power relations within and around universities and university colleges. The higher education institutions are now required to be more responsive to the needs of the stakeholders when it comes to doing research and educating students than they were before. But – is this really a new phenomenon? If not, what kind of stakeholder influence was there before this more commonly accepted “stakeholder society”? In this study, I argue in favour of applying the term stakeholder in a broader sense than Neave and others. Assuming that the institutions have related to various actors – or stakeholders – through the years, the same concepts and definitions need to be applied to examine the potential changing nature of this relationship over a more extensive period of time. Accordingly, whether there are new stakeholders is not the only question, but also the relative importance of various groups of stakeholders and the foundation for their influence.

In their study of stakeholding in higher education, Amaral and Magalhães, scholars of higher education policy, take Freeman’s definition of the stakeholder as their point of departure and adjust it; a stakeholder is thus “a person or entity with legitimate interests in higher education and which, as such, acquires the right to intervene” (Amaral and Magalhães, 2002:2). This dissertation takes this rather broad definition as a starting point for the following discussion. This definition shows that stakeholders can have a formal and informal position. Furthermore, it implies that the influence of both internal and external stakeholders should be examined. The distinction between internal and external stakeholders in higher education literature is rather common (Neave 2002, Maassen 2000, Burrows 1999, Amaral and Magalhães 2002). The Canadian researcher in management and organisation studies Mintzberg makes a corresponding distinction between internal and external influencers (Mintzberg 1983). He characterises the internal influencers as

The full-employees who use voice, those people charged with making decision and taking the actions on a permanent, regular basis; it is those who determine the outcomes, which express the goals pursued by the organization (Mintzberg 1983:26).
The external influencers are on the other hand “nonemployees who use their bases of influence to try to affect the behavior of the employees” (Mintzberg 1983:26). There are several reasons for applying this distinction also in this dissertation. First, the democratization process in the 1970s gave more employees and students – here regarded as internal stakeholders – access to decision-making bodies. Second, the non-universities have a long tradition of external representation on their boards. Finally, it is assumed that national authorities – at least as the public owner of the higher education institutions – wish to affect the way these institutions fulfil their mission.

Employees – both academics and technical-administrative personnel – and students are internal stakeholders. The democratization process in the 1970s may illustrate changing power relations given that more employees and students gained access to decision-making bodies. According to Burrows, a scholar of higher education administration, it is not, however, always easy to distinguish between internal and external stakeholders because the same stakeholder or group of stakeholders can be both external and internal, depending on the issue in question (Burrows 1999). She cites the positions of students as an example; they may be considered external stakeholders on economic grounds but they are also internal stakeholders as part of the knowledge community. Here, the expression “external stakeholders” refers to actors who are normally not involved in the daily work of the institution in question. For the higher education institutions which are publicly owned, the government is the main source of funding and thus an important external stakeholder. Other examples of external stakeholders are regional authorities, local companies or other higher education institutions. Additionally, the external stakeholders take notice of the higher education institutions from the perspective of present and future employers. Some external stakeholders may even have direct access to decision-making bodies within the higher education institution as the non-universities have a long tradition of external representation on their boards. Moreover, the academic community in the fields of medicine, nursing, teacher training and engineering have long traditions for continuous dialogue with their professional associates. Consequently, such associates are here presumed to fill positions as external stakeholders.

Burrows (1999) and Neave (2002) take up two factors in addition to those discussed above. The first is whether cooperation with stakeholders represents an opportunity for or a threat to the institution’s ability to realise its goals and visions. The second factor is whether the nature of the stake is financial or scholarly. A financial stake involves some kind of economic dependence, on
authorities, competitors, employees or the local community. A scholarly stake refers to core academic values such as knowledge production and transmission, research and development. It refers broadly to different non-economic forms of support, motivated by institutional values. These factors will be discussed further in the case of the University of Oslo (Chapter Six) and of Telemark University College (Chapter Seven).

2.6 Stakeholder Influence

In this dissertation, I analyse how stakeholder influence is affected by changes in policy and by the higher education institutions’ interpretation and adaption of these policies. This requires a presentation of the different foundations for influence that internal and external stakeholders may exercise.

First it has to be noted that this study does not make a distinction between influence and power. This is because one is often used to define the other although with a possible distinction between the potential and actual use of power. The definitions of power, or influence, are many. This dissertation takes Mintzberg’s definition of power as its starting point; “the capacity to effect (or affect) organizational outcomes” (Mintzberg 1983:4).

According to Freeman, stakeholders have different foundations for their influence. These are voting, economic and political (Freeman 1984). Voting influence refers to a relationship based on a formal foundation for influence, i.e. the granting of decision-making authority to specific categories of stakeholders. It not only refers to having voting rights in decision-making bodies but more broadly to wielding formal decision authority. Voting influence is formal because it gives certain categories of stakeholders a role to play and it is this formal role that is their foundation for influence. Parliamentary law regulates many aspects of institutional activity and management in higher education, even though what it regulates and to which extent varies over time. Employees, students and other stakeholders may have voting influence by virtue of their role as voting members of boards at institutional or faculty level or other decision-making bodies. Whether they exercise actual influence is an empirical question.

A stakeholder who can provide or retain resources has economic influence. Law formally regulates financial matters in the higher education sector, as do propositions to the Parliament related to the state budget. Non-governmental actors may enter into agreements with higher education institutions regarding study programmes, tailor-made courses, research
assignments, etc. The stakeholders may wield both potential and actual influence in the sense that economic agreements may be withdrawn or under threat of withdrawal. Thus, their influence is economic as they may bring money into the institution. Depending on the funding system, students can also be said to exercise economic influence, for example when the university receives reduced allocations when students switch to another university or “supplier”.

Political influence, the term given to the third form of influence used in stakeholder theory, allows actors to use their participation and position in negotiations to affect an institution’s decisions (Burrows 1999). Political influence may on the one hand be formal; involved parties have the right to be consulted in policy discussions according to the Scandinavian cooperative tradition. On the other hand, it may take the form of more informal lobbyism.

When the universities and university colleges are state owned, as in Norway, the state may act as a prime partner and is thus to be regarded as a stakeholder. Government authority implies voting, economic and political influence. Through the passing of legislation and writing of new regulations the Government and the Parliament exercise voting influence. Governmental control of financial resources means that national authorities play a role that allows them to exercise economic influence. They may also participate in negotiations that affect the institutions’ decisions, i.e. political influence. This implies that a single actor, or stakeholder, may have more than one foundation for influence.

Within stakeholder theory in general and as applied to the field of higher education in particular, it is common to maintain this distinction between voting and political influence. This distinction may, however, appear strange to a political scientist who would argue that voting influence is also political in nature. In the following, I have, despite this, adhered to higher education and management literature.

2.7 Four Stakeholder Regimes

In this section, different stakeholder regimes will be developed. Given the normative foundations and governance instruments outlined above, which external and internal stakeholders can be identified in each of the four stakeholder regimes: the expert, welfare, bargaining and entrepreneurial, respectively? What is the nature of their stake? Moreover, on what foundation is their influence based?
2.7.1 The Expert Regime

The university is regarded as a self-governing community. This is a university governed by internal factors in which the actors have shared norms (Olsen 2005). The model has close ties to the Humboldtian ideal with its emphasis on university autonomy and academic freedom. The university is viewed as an autonomous cultural institution, a collegium of chair-holders that guarantee quality through outstanding research and education (Bleiklie et al. 1996). Research is a task for the best scientifically qualified, i.e. professors at the university and not the academic staff at the regional colleges/university colleges. As a cultural institution higher education is responsible for transmitting the common cultural heritage, preserving the knowledge community and the formation of the power of mind (Gumport 2000). Students are supposed to develop their knowledge and become well-educated. The role of the state is to protect the university from the outside world and guarantee its autonomy (Olsen 2005). However, the state can maintain some control as the major source of funding (Marton 2000). Allocations are mainly given as block grants due to the assumption that resources should be allocated according to traditions and institutional values. For the same reason, higher education institutions are to be regulated by basic laws and the decision-making system is decentralised. Academic employees from among the highest-ranking professors elect leaders. These leaders represent an elite collegiality with very few professors. This model thus implies a hierarchical structure (Larsen 2003) although decisions are reached by consensus.

Olsen points out that according to the vision of the university as a self-governing community of scholars, its obligation is to the “society as a whole, not to specific ‘stakeholders’ or those willing to pay, […]” (2005:8). However, by applying stakeholder theory, and thereby analysing the actors’ stakes as well as the nature of those stakes, the picture becomes more nuanced. Neave (2002) points out that in the Humboldtian model contact between the university and business and industry was directed through the public administration. There was little or no room for outside interests to influence the universities directly, but these interests could be moulded and guided through the public administration. This makes the public administration a stakeholder in addition to the state – both being external. The nature of their stake is presumably financial because of the funding responsibility.

If Olsen (2005) in the quote above uses stakeholder to refer to the external actors, he may be correct in arguing that internal stakeholders, as defined by Burrows (1999), retain a great deal of influence on higher education.
This is because the universities are governed by internal factors (self-governing). The main internal stakeholders would be the professors, given that this is a vision based on the chair-faculty with professorial dominance. Consequently, the nature of their stake is scholarly and professional. Being elected among peers, the leaders are to be regarded as internal stakeholders as well.

Here the legitimating idea of higher education is to be found within the cultural and social functions of the university, as mentioned above. This is a vision based on the chair-faculty with professorial dominance, based on academic quality and achievement. However, some may have more legitimate stakes than others due to their formal position in the organisation.

2.7.2 The Welfare Regime

The university is mainly regarded as an instrument for implementing public policy. Here, government by external factors is combined with actors with shared norms (Olsen 2005). This resembles a description of the universities as public agencies in a more traditional sense (Bleiklie 1996b). Following classical bureaucratic ideas, the decision-making system is centralised and hierarchical. Furthermore, research and education are regarded as a means of developing the economy and the welfare system. Consequently, utility is a key factor with respect to prioritising research and educational issues and deciding how science can contribute to national goals. The role of the students is to prepare for a career and thereby contribute to further economic growth. Funding is input oriented and given as tied grants; the role of the state is that of a social planner. State authority is also exercised through detailed laws and directives. This implies that the state can attend to values like equity, fairness, and predictability (Hood 1991). Leaders are appointed, preferably by the Ministry (Olsen 2005). Autonomy may be limited and depend on the institution’s ability to be effective and efficient which is a question of achieving political goals.

If the university is seen as an instrument for public policy, and thus governed by external factors, the immediate impression is that the internal stakeholders lose influence to the advantage of the external stakeholders. This is because the focus is on the utility of research and education with regard to economic growth and because the institutions’ achievements are continuously evaluated in relation to national political goals. Therefore, legitimacy is related to the extent these goals are attained. When the government formulates the
goals and the public administration is responsible for their implementation they are both external stakeholders with financial stakes in higher education.

The appointing of leaders may also be a way of replacing internal influence with external, in contrast to having leaders elected by the academic staff. Since the leaders are appointed by the Ministry – an external stakeholder – influence is exercised by the public administration. If the appointed leaders already work in the organisation, they retain some of the features of the internal stakeholder. Their stake is scholarly given that they are part of the academic community and thereby responsible for the preservation and transmission of knowledge. Students may be viewed as external stakeholders with a financial stake in the sense that they are financially dependent upon the higher education institution; they need to graduate in order to obtain a job.

2.7.3 The Bargaining Regime

Participation and negotiations are key elements of the bargaining regime. The university is envisioned as a “representative democracy”, and describes an institution governed by internal factors in which the actors have conflicting norms (Olsen 2005). This regime, like the first one, has some of the characteristics of a cultural institution. Higher education is to be responsible for the transmission of common standards of citizenship and the “fostering of other legitimate pursuits for the nation-state” (Gumport 2000:74). The diverse disciplines make up relatively egalitarian communities. Their authority is primarily rooted in the disciplinary community (Bleiklie et al. 1996). Students are supposed to do more than get an education and develop their individual character; they are also expected to take an active part in internal governance of the university. From the point of view of affectedness and motivation, involvement of both students and employees becomes important (Peters 2001). Consequently, both groups can exercise influence on important issues for the higher education institution in question; given that these are not already actually determined before employees and students are involved. The role of the state is to protect and secure institutional autonomy and academic freedom.

Within the bargaining regime, both funding and regulations imply the use of negotiations and other ways of bringing affected parties into the process of governance. The patterns of interaction may vary; they may be formal as in consultative rounds or take looser forms, such as lobbying. The decision-making system follows the same principles of participation and is based on dialogue and it may be regarded as a segmented system.
Not only professors but also other academics as well as both administrative personnel and students are represented in the university governing boards and councils. Decisions are made by majority rule. The general workplace democratisation of the 1960s and 1970s brought negotiations and participation up for discussion. Moreover, participation was also one of the issues in the 1990s, however, more often in terms of empowerment (Peters 2001). Systems concerned with participation and empowerment are regarded as an alternative to more market oriented reforms. Collective identity within the higher education institution is expected to be strengthened (Peters 2001). Accordingly, the perception of taking part in a competitive market is less emphasised. Students may be regarded as empowered “clients”, e.g. having a legitimate right to participate in more extensive evaluation processes rather than filling in individual evaluation forms. Arrangements based on participation are expected to mobilise and form a basis for continuation.

A university organised as a representative democracy with broader participation, ends the hegemony of the professors, if compared to the chair-faculty university. Given that academics, technical-administrative staff and students are represented in governing boards at different levels of the institution, there are many internal stakeholder groups and stakeholders with at least voting influence. The nature of their stake may vary, and even conflict, depending on which group we look at. Given that the purpose of higher education is cultural, the academic employees have a scholarly stake. Furthermore, as elected leaders their stake would also be financial, assuming they are bound by economic considerations.

The students are internal stakeholders because they have been given access to the decision-making process in addition to their status as members of the knowledge community. This makes their stake scholarly; it is based on democratic and academic values. As receivers of education, the students may be considered empowered compared to what is the case within the expert and the welfare regime.

2.7.4 The Entrepreneurial Regime

Neo-liberal ideas about governing the public sector are apparent in the entrepreneurial regime. Olsen’s fourth stylised vision of the university as a “service enterprise embedded in competitive markets”, involves a combination of government by external factors and actors with conflicting norms. Here the dominant norm is a belief in neo-liberal economic theory. Markets or quasi-
markets are assumed the most efficient for allocating resources and improving the collective outcome, i.e. research and education (Peters 2001). The main point is, however, often to get the public sector and its employees to think in terms of competition – even though publicly owned corporations or agencies are not privatised. There might be competition between higher education institutions about students and research grants and contracts – even beyond the nation state. However, the question is to what extent the institutions themselves can set the price. Accordingly, this regime has some mutual features with what is more commonly referred to as New Public Management (NPM). However, some of the ideas and instruments are more highlighted than others are.

The university is supposed to open up to society; meet demands from the market, clients and customers, i.e. it must deliver services. The legitimating idea of higher education is that of a knowledge producer (Gumport 2000). As such, higher education institutions must focus on values like efficiency, flexibility, and consumer satisfaction. This regime is preoccupied with the potential problem that universities are not willing or able to adjust their activities. A university may thereby lose its position and eventually even its ability to survive as an institution – and survival is the key to autonomy. Since the higher education institutions are competing in a (quasi-)market, research and education are to be considered as goods and services and can be traded as such. Students are regarded as consumers of higher education and they can make freer choices.

The institutions are to be protected from state authority and they are said to have obtained more freedom when it comes to deciding on internal management. The role of the state is to organise and supervise the sector. Accordingly, both treasury and authority tools are designed to be general. Funding is given as block grants and may be linked to performance indicators. Regulation is ensured by basic laws, thereby giving each institution a certain room to manoeuvre and opportunities for local adjustments.

The decision-making system is based on market mechanisms and contractual coordination. The internal organisation is characterised by leaders who are appointed by either the management or the Board, which is acting according to recommendations from the management or some appointing committee. The different governing boards – if they are established at all – ought to have external representation (Olsen 2005). If there are no boards, at least at the faculty or department level, it may be understood as a way to decentralise authority within the organisation (Pollitt 1995). The traditional hierarchy becomes flatter since there are fewer decision-making entities between the rector/university board and the head of department. Management
authority is thus in a sense centralised since it is gathered in fewer hands. Furthermore, as often claimed from a NPM perspective, management is management (Peters 2001). The implication is that management skills and leadership experience may be as or even more important than academic merit in the appointment of rector, dean and head of department.

This model has some common features with Bleiklie’s (1996b) description of the university as a corporate enterprise where the emphasis on quality is important. Likewise, we have the demand for efficiency, which is to be measured by performance indicators. Both quality controls and making employees work to meet performance targets are considered elements of NPM (Pollitt 1995). Such ex post control mechanisms replace to some extent the use of ex ante control mechanisms (Peters 2001). Studies of the adaption of NPM in the Norwegian public administration have shown that management by objectives (MBO), including result-oriented planning (ROP), is the most common use of output control (Christensen et al. 2007).

There is a need for external approval and the institution is dependent on markets, clients, donors, competitors, etc. Here Olsen uses the term stakeholders for the first time in the sense that the university is dependent on the actors mentioned above (2005:12). It may be argued that the stakeholders become more versatile due to the fact that the university is supposed to open up to society and is no longer protected by the state. Higher education institutions may cooperate with local governments and administrations about, for example, tailor-made courses. Using the terminology introduced above, they can be interpreted as external stakeholders. They have stakes in the university as a course provider and may use their economic position to influence the content of these courses to meet their specific needs. Whether the cooperation is seen as a threat or an opportunity, may, among other things, depend upon whose point of view is taken. If the local government and administration – here the “buyers” – are not satisfied, they can also choose to go to another higher education institution, or consultancy company assuming academic degrees and merits are irrelevant. Accordingly, other universities and university colleges may be regarded as competitors and potential threats, given that they provide comparable courses. Both as competitors and as partners, they are external stakeholders for the institution in question. Whether their stake is only financial or also scholarly may be an empirical question.

In accordance with the focus on assessment and the use of performance indicators, accrediting agencies may be established. Such agencies are to be regarded as external stakeholders. Authorities outside the institution itself
approve study programmes; although they are external they are nevertheless members of the academic community. Therefore their stake is scholarly. During the process of applying for higher education students may be regarded as external stakeholders, i.e. consumers whom the university or university college seek to attract and compete for. When actually admitted to an institution they become internal stakeholders. In both cases the nature of their stake is primarily financial due to their economic dependence and the need to obtain a degree or certification. As internal stakeholders and as members of the knowledge community their stake is also scholarly.

If appointed leaders do not come from the institution, the shift from internal to external stakeholders may be even more evident. As in the welfare regime, their stake may be both financial and scholarly. However, if they are not recruited from an academic community but rather from another managerial job, their stake may be solely financial.

Figure 2.1 sums up the discussion of the four stakeholder regimes. As shown in figure 2.2 below, the number of stakeholders is assumed to increase and become more diversified in the bargaining regime and even more in the entrepreneurial regime compared to the expert and welfare regimes. This applies whether the basis of their influence is economic, political and/or voting. The state and the public administration are no longer the exclusive external stakeholders in higher education, even though they may remain important. Furthermore, the students are given a range of new roles and new positions that allows them to exercise influence.
<table>
<thead>
<tr>
<th></th>
<th>The Expert Regime</th>
<th>The Welfare Regime</th>
<th>The Bargaining Regime</th>
<th>The Entrepreneurial Regime</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cultural vs. utility values</strong></td>
<td>Cultural</td>
<td>Utility</td>
<td>Cultural</td>
<td>Cultural and utility</td>
</tr>
<tr>
<td><strong>Role of the state</strong></td>
<td>Protect HE from the outside world</td>
<td>Social planner - architect</td>
<td>Protect autonomy and academic freedom</td>
<td>Organise and supervise</td>
</tr>
<tr>
<td><strong>Demands on higher education</strong></td>
<td>Serve society as a whole</td>
<td>Implement public policy</td>
<td>Depend on the outcome of negotiations</td>
<td>Deliver services Open up to the outside world</td>
</tr>
<tr>
<td><strong>Stance towards students</strong></td>
<td>Attain education and knowledge</td>
<td>Recipient, obtain a job</td>
<td>Participant</td>
<td>Consumer/customer</td>
</tr>
<tr>
<td><strong>Reasons for autonomy</strong></td>
<td>Authority to the best qualified</td>
<td>Delegated and based on relative efficiency</td>
<td>Negotiated - mixed bases for autonomy</td>
<td>Depends on the ability to survive</td>
</tr>
<tr>
<td><strong>Treasury</strong></td>
<td>Based on previous allocations (block grants)</td>
<td>Tied grants</td>
<td>Negotiated</td>
<td>Block grants and allocations based on performance</td>
</tr>
<tr>
<td><strong>Authority</strong></td>
<td>Basic laws</td>
<td>Detailed laws and directives</td>
<td>Affected parties working out regulations</td>
<td>Basic laws</td>
</tr>
<tr>
<td><strong>Internal organisation</strong></td>
<td>Decentralised – Chair-system</td>
<td>Centralised – Appointed leaders</td>
<td>Representative – Elected leaders</td>
<td>Decentralised – Appointed leaders</td>
</tr>
<tr>
<td><strong>Decision-making system</strong></td>
<td>Decentralised system</td>
<td>Hierarchy</td>
<td>Segmented system – dialogue</td>
<td>Market mechanisms and contractual coordination</td>
</tr>
<tr>
<td><strong>Assessment</strong></td>
<td>Academic quality</td>
<td>Political effectiveness (input)</td>
<td>Efficiency and flexibility – Performance control (output) MBO and ROP</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2.1 Characteristics of norms and structures of the four stakeholder regimes.⁶

<table>
<thead>
<tr>
<th>Stakeholder Regime</th>
<th>The Expert Regime</th>
<th>The Welfare Regime</th>
<th>The Bargaining Regime</th>
<th>The Entrepreneurial Regime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voting: (formal decision authority)</td>
<td>- The Parliament</td>
<td>- The Parliament</td>
<td>- The Parliament</td>
<td>- The Parliament</td>
</tr>
<tr>
<td></td>
<td>- Professors</td>
<td>- Professors</td>
<td>- The Ministry</td>
<td>- Local governments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Assignors and clients/customers</td>
<td>- Assignors and clients/customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Other HE institutions as joint venture partners</td>
<td>- Other HE institutions as joint venture partners</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Students</td>
<td>- Students</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- External board members</td>
<td>- External board members</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Accrediting agencies</td>
<td>- Accrediting agencies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- The Government</td>
<td>- The Government</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- The Parliament</td>
<td>- The Parliament</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- The Ministry</td>
<td>- Local governments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Management; academic and administrative</td>
<td>- Management; academic and administrative</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Rector</td>
<td>- Rector</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Students' organisations</td>
<td>- Students' organisations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Trade unions</td>
<td>- National and foreign competitors</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Employers' organisations</td>
<td>- Trade unions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Employers' organisations</td>
</tr>
</tbody>
</table>

Figure 2.2 Foundation for stakeholder influence in the four stakeholder regimes.
The stakeholder regimes, as ideal models, may also be applicable to other policy fields than higher education, i.e. environmental policy, health policy or public administration reforms in general. For example, applied to health policy, *stance towards students* could be replaced with *stance towards patients* – a characteristic for the policy field in question.

Since these four stakeholder regimes are ideal models, one will find combinations of them in national policy and in each and every institution at all times. Which one of them is dominant, will therefore change over time. Olsen (2005:16-17) points out that “the task is to understand how different systems balance different concerns and how they develop power-sharing arrangements rather than [giving] all power to faculty […]”. This dissertation will focus on the stakeholder influence and its potential variations within these four ideal models.

The empirical examinations of both national policy and institutional practice at the University of Oslo and Telemark University College respectively are structured according to stakeholder regimes outlined above. However, each of these discussions are periodised according to three commissions reports as discussed in Chapter One and Four respectively, i.e. 1965-1986, 1987-1997 and 1998-2006. Because of the order of table 2.1 each analysis starts with a discussion of *cultural vs. utility values* and ends with *assessment* within each of the above mentioned sub periods.

When we map and describe Norwegian higher education policy and practice over the last 40 years the question arises of how to explain the developments – characterised by either continuity and/or change. The next chapter deals with historical institutionalism as an approach used to explain continuity and change in higher education practice. This includes a discussion of the use of the approach at an organisation level rather than at the more commonly used national level.
Chapter Three

Explaining Continuity and Change – Historical Institutionalism

3.1. Introduction

How can we explain continuity and change in stakeholder influence? During the last 40 years, some major trends in Norwegian higher education policy are recognisable, i.e. democratisation, decentralisation (through regional policy), and liberalisation (marketisation). These processes are relevant within the different timeframes of this study. The trends take different forms. Two questions arise; in which direction does institutional development move and what critical junctures trigger a drastic change of trajectory or direction? Furthermore, modes of incremental or less dramatic change such as layering, conversion, displacement, drift and exhaustion need to be explored more in depth. The aim of this chapter is to develop an understanding of continuity and change in stakeholder influence based on historical institutionalism. This will be done in order to answer the second research question: how and why have the norms and structures for stakeholder influence in higher education practice changed or been continued over time? In the following sections, first, definitions of institution are examined. Second, the structure-agency relationship is discussed in order to examine how change may occur. Then follows a discussion of path dependence and modes of incremental change and how these concepts are applied in this study.

3.2. A Historical Institutional Frame


historical, is that they all assume that institutions include some formal and informal “structural features of society and/or the polity” (Peters 1999b:18). Informal features can be procedures, routines, shared norms and conceptions (Hall and Taylor 1996, Peters 1999b).

In this dissertation, historical institutionalism is applied as an approach to explain continuity and change. This presents several challenges. One is the approach’s capability to actually explain change. Another is the transference of a theoretical approach normally applied at the macro-level to the organisational level, i.e. the selected higher education institutions. The latter challenge is discussed first.

Scholars have argued that historical institutionalism is especially suitable for conducting macro-studies (Pierson and Skocpol 2002, Sundström 2003). An increasing number of empirical studies which use historical institutionalism have been published (Pollitt and Bouckaert 2004, Streeck and Thelen 2005, Thelen and Steinmo 1992, Thelen 2004, Sundström 2003, Dahlström 2004, Helgøy 2006, Jacobsen 2006, Lindvom 1995, Lindvert 2002, Mahoney and Snyder 1999, Premfors 1999, Torfing 2001). Some of these apply historical institutionalism aiming, for instance, to explain the development of specific policy areas. However, I have yet to find more than a single example of a study carried out on the organisational level; it was carried out by Pollitt, who applies historical institutionalism in his study of the development of two hospitals, one English and one Belgian (Pollitt 2008). As stated in Chapter One, one of the contributions of this dissertation is the application of historical institutionalism at the organisation level. Given that the selected higher education institutions are public organisations, the application can also contribute to the understanding of organisational continuity and change within public policy. This, however, requires a discussion of the concept “institution” and of higher education institutions as part of public policy and the public sector. This is first done by reviewing some of the literature on new institutionalism with an emphasis on the concept of the institution.

The leading organisational theorists March and Olsen (1984, 1989, 1995), are often credited with the revival of institutionalism (Lowndes 2002). They argue that an institution consists of rules and practices which define appropriate behaviour (March and Olsen 1984, March and Olsen 1989, March and Olsen 1995). What is regarded as appropriate may vary according to the situation and the group of actors. When introducing “new institutionalism” as a term in the mid-1980s, March and Olsen stated that
The bureaucratic agencies, [...] are arenas for contending social forces, but they are also collections of standard operating procedures and structures that define and defend interests. They are political actors in their own right (March and Olsen 1984:738).

The behaviour and decisions of actors are regarded as a matter of standard operating procedure according to the institutional imperatives. This “logic of appropriateness” indicates that actors relate to rules and situations by analogy when deciding what behaviour is appropriate (March and Olsen 1989). Accordingly, institutional values play an important role in this process.

Definitions given by historical institutionalists share some of the same understanding and dimensions. According to two important scholars of historical institutionalism, Streeck and Thelen, institutions may in general terms be

defined as building-blocs of social order: they represent socially sanctioned, that is, collectively enforced expectations with respect to the behavior of specific categories of actors or to the performance of certain activities (Streeck and Thelen 2005:9).

In an earlier work, Thelen and Steinmo – another leading theorist within historical institutionalism – define institution as “the formal rules, compliance procedures, and standard operating practices that structure the relationship between individuals and various units of the polity and the economy” (Thelen and Steinmo 1992:2). The focus on institutions as building-blocs of politics implies a collective level of observation (Keman 1997). This is in line with the argument that the concept of institutional actors involves collectives rather than individual actors because the actors in most cases make decisions and act on behalf of an organisation (Lægreid and Roness 1999). There are both similarities and differences between the understandings of institutionalism referred to above. As shown, both March and Olsen and Streeck and Thelen emphasise that structure bounds the actors and their view on how to behave. March and Olsen (1989) emphasise the logic of appropriateness as important for behaviour. Streeck and Thelen (2005:9) move in the same direction using “socially sanctioned [...] expectations” to define appropriateness.

Historical institutionalism understands institutions “as formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy” (Hall and Taylor 1996:6-7). This implies that not only rules, but also practices (or standard operating procedures)
guide behaviour. In this dissertation, institution refers to a relatively stable set of practices, rules, norms and meaning structures defining frames of interpretation.

Presumably, the goals pursued by political actors and the conflict over policy problems are embedded in institutions (Thelen 1999). The institutional context also shapes the actors’ preferences and strategies, i.e. they are formed in the interplay between the actors and the institution. Institutions may restrict action, define options and facilitate interaction. This is not to say that agency does not matter. Though the actors are not assumed to be self-interested utility maximisers they may well behave strategically as well as behaving as rule-following satisfiers (Thelen and Steinmo 1992). Applied to this study, this implies that national higher education policy reforms – White Papers and legal regulations – may affect the conception of stakeholder influence and the solutions attached to it. The goals pursued by public actors are often complex as well as in flux. Institutions not only affect the strategies of actors pursuing these goals, they also affect the definition of legitimate actors. A given regional actor may be legitimate for an institution like Telemark University College with clear regional political commitments in contrast to the University of Oslo where the commitment may be presumed to be more applicable to the academic community rather than to a regional political actor.

At first sight, this may seem to illustrate a major criticism of historical institutionalism, namely its tendency to emphasise structure over agency (Hall and Taylor 1996, Peters, Pierre & King 2005). The problem may, however, be solved by treating the relationship between structure and agency as dynamic rather than dualistic (Hay and Wincott 1998, Marsh, Batters & Savigny undated). Such a dialectic approach to structure and agency implies viewing the relationship as interactive and iterative. Structure is, however, regarded as the starting point. Historical institutionalists claim that “political institutions […] have independent effects on social phenomena” (Scott 2001:33). It is assumed that agents have the capacity to alter structure through a strategic learning process (McAnulla 2002). This is because actors are reflexive and able to react to their environment. Furthermore, actors interpret the structures and act upon them. National policy reforms which normally involve new governance instruments are, presumably, interpreted according to the institutional order. The political scientist Ellen Immergut emphasises that this interpretation is not entirely open as “institutions act as filters that selectively favour particular interpretations either of the goals toward which political actors strive or of the best means to achieve these ends” (Immergut 1998:20). This action may alter
the structures which again encourage and restrain certain forms of behaviour. However, the capacity of actors to alter the structures is affected by resources – capital and knowledge about the environment – which are not equally distributed (Hay and Wincott 1998, Hay 2002). This focus on agents and their ability to instigate change is in line with Thelen and Steinmo who claim that “institutions […] can shape and constrain political strategies in important ways, but they are themselves also the outcome […] of deliberate political strategies, of political conflict and of choice” (Thelen and Steinmo 1992:10). Furthermore, the difference between those “acting in a routine manner” and those “rejecting norms and conventions” is emphasised (Hay 2002:166). The former will contribute to reproduction and continuity. The latter may alter practices.

In this dissertation, legal and financial regulations as well as requirements for internal organisation and management – often manifested in national policy – are all structural elements. Special interest groups, e.g. the Norwegian Medical Association and the Confederation of Norwegian Enterprise, are agents according to the discussion above. The same goes for the government and public administrations responsible for higher education. Furthermore, within the higher education institutions administrative leaders, appointed or elected academic leaders as well as various boards and councils, all of them at different levels in the organisation, are important agents for instigating change or sustaining continuity.

With this background, the next question is how historical institutionalism can be used to explain continuity and change at the organisational level. The role of the state is to attend to general, perhaps conflicting goals, within a policy field, e.g. higher education (Gornitzka et al. 2004). The same can be claimed to apply to higher education institutions, in this case Telemark University College and the University of Oslo, as public institutions. Actors at both the national and organisational level are affected by politically initiated reforms and policy changes. Correspondingly, the kind of influence, i.e. voting, economic and/or political, these stakeholders are assumed to exercise is affected. Furthermore, higher education institutions matter in the definition and organisation of the actors' behaviour. They may be regarded as institutional contexts (Maassen and Stensaker 2005), like policy fields, which are the preferred point of attention for historical institutionalism. Higher education institutions, like other public organisations, cannot be regarded as “neutral instruments for politically elected leaders” (Lægreid and Roness 1999). When implementing public policy higher education institutions also interpret the policy in question. Accordingly, they

---

8 At least, this is mainly the case in Norway.
also contribute to actual policy at a given time. State institutions are not the only relevant institutions for historical institutional research. The institutions have, however, to be able to define “the rules of the game of political cooperation and conflict” (Torfing 2001:295). To recapitulate, higher education institutions – as political institutions – are interesting objects of study when using the approach of historical institutionalism. This is particularly true for the study of continuity and change during the course of several public reforms. Here we will exam the reforms initiated by the Ottosen, Hernes and Mjos (the Quality Reform) Commissions respectively.

3.3. **A Model of Continuity and Change**

It has often been argued that institutional theory in general, and historical institutionalism in particular, is not capable of explaining change (Peters 1999b, Peters 1999a, Peters, Pierre & King 2005, Rothstein 1996). However, the discussion is more complex. Scholars argue that the cause of policy continuity can be found in mechanisms that sustain and reinforce a certain order – path dependence and increasing returns (Pierson 2004, Thelen 2003, Thelen 1999, Mahoney 2001, Pierson 2000, Rothstein and Steinmo 2002). Long periods of development can often be characterised by apparent stability. However, there may be actual, albeit subtle and incremental change. In order to capture incremental change within the concept of historical institutionalism, five types of gradual transformation are incorporated in the model of change, i.e. conversion, layering, displacement, drift and exhaustion (Thelen 2003, Streeck and Thelen 2005, Boas 2007). This section discusses how to deal with the concept of change – and thereby also continuity. This implies an account of path dependence, critical junctures and finally an elaboration of types of incremental change for the study of stakeholder influence in higher education institutions.

Historical development should not be understood as linear but rather as moving in loops (Hall 2003). Furthermore, the same forces do not necessarily produce the same effects in policy or practice in different countries, policy areas or organisations. These effects are assumed to be “mediated by the contextual features of a given situation” (Hall and Taylor 1996:941). Policy outcomes become a result of interacting historically embedded factors. It is important to establish what makes development move in a certain direction and whether it is characterised by change or continuity. This implies unravelling the historical patterns. Path dependence, critical junctures and punctuated equilibrium are
important concepts for this purpose (Hall and Taylor 1996, Thelen 1999, Peters 1999b). Applied to the University of Oslo and Telemark University College, historical institutionalism is an approach that can explain how these higher education institutions have developed over time when it comes to adapting and interpreting national policy according to the institutional conditions pertaining in each of the two cases.

3.3.1. Path Dependence

Path dependence approach refers to the idea that initial critical junctures (also referred to as ‘formative moments’) lead to one of several potential trajectories or paths. After this initial juncture, a phase of increasing returns occurs as results and effects from earlier decisions, i.e. a given pattern, become reproductive and self-reinforcing (Pierson 2000, Mahoney 2000). This phase of stability may again be ruptured by a critical juncture. The main idea is that earlier events in the policy process – or as in this study stakeholder influence in higher education practice – affect the solutions that are later considered to be available (Peters 1999b). Put differently, at time 1, the initial decisions are affected by institutions. At time 2, these earlier decisions are regarded as institutions and as such affect present policy decisions (Kay 2005, Skocpol 1992). Policy development is characterised by continuity as it is strongly influenced by policy legacy (Hall and Taylor 1996). Increasing returns, or self-reinforcing sequences, involves the idea that an institutional pattern becomes more beneficial the longer it has been in place. Modifications may, however, be made but even if there are more efficient alternatives transformation is more difficult as time passes (Mahoney 2000). The political scientists Peters and Pierre present the following interpretation of path dependence:

the transformation is not a continuous process but a discrete, sequential event that occurs during major formative periods, to be followed by institutional stability and consolidation. Thus, institutionalists attempt to separate disruptive and dynamic periods of institutional change from periods of stability and consolidation during which institutions are path dependent (Peters and Pierre 1998:573).

Here, the implication is that implementation of higher education policy and administrative reforms, i.e. the transformation of ideas into action, are interpreted within the existing institutional legacy. The rules and values of stakeholder influence in higher education practice are shaped within the path.
Path dependence is an empirical category and is thus not a theory consisting of variables and hypotheses. As such, the term refers to “a certain type of temporal process” (Kay 2005:554). Here, in order to empirically study these temporal processes of norms and structures for stakeholder influence, theoretical guidelines, i.e. stakeholder regimes, have been developed in Chapter Two. These regimes, i.e. different norms and structures: utility vs. cultural values, the role of the state, demands, stance towards students, treasury tools, authority tools, internal organisation and assessment, constitute the foundation for the empirical examination. The theoretical framework guides the search for interesting and relevant events and situations. In this dissertation, norms, the first dimension in both my research questions, attempt to capture ideas and beliefs. Agents are carriers and mobilisers of ideas and beliefs. The question is, however, how “new” ideas and beliefs can be adopted and how they may change. Furthermore, exogenous events, crises and the like that have occurred between 1965 and 2006 must also be studied.

The path may be changed or replaced by critical conjunctures that punctuate the policy process equilibrium and gradually result in a new equilibrium, which in turn opposes change (Pierson 2004). Exogenous events, e.g. socioeconomic crises or effects of a broader political context, represent such critical junctures (Thelen and Steinmo 1992). During the 40 years which are investigated in this dissertation, there will, assumingly, be more than one critical juncture. Examples of such potential exogenous events are as follows: In the late 1950s, Norway – like the rest of Europe – experienced an increase in the number of students who applied for higher education. From the early 1960s, there has been a strong expansion in higher education. This increase in the number of students represented a sort of crises for several universities. The question here is how it made the University of Oslo change and how it contributed to the formation of Telemark University College. In the late 1980s, as unemployment rates rose the higher education institutions once more experienced an increase in the student population. The student rebellion which took place in the late 1960s and the early 1970s may also represent such an event in the political context referred to by Thelen and Steinmo, and thereby a possible critical juncture when explaining continuity and change in higher education practice. Whether or not one or all of these events actually were critical junctures for higher education institutions, is an empirical question which I will examine in the following chapters. However, when looking at how processes evolve, both major and minor events may have significant consequences, given that they occur at the right time (Pierson 2000).
The concept of increasing returns “could also be described as self-reinforcing or positive feedback processes” (Pierson 2000:251). This implies that forces of reproduction are involved in such a way that the favoured course development trend is maintained and reinforced. Furthermore, choices made subsequent to a critical juncture constitute the basis for later forces that shape the course of events. One reason is that “Social actors make commitments based on existing institutions and policies, their cost of exit from established arrangements generally rises dramatically” (Pierson 2000:259). In political science, this concept refers to returns on two kinds of investments: economic and credibility. Higher education institutions would likely invest credibility in how they are perceived by students, other higher education institutions including various scientific communities, and potential employers – public or private – of research and specially designed courses. The collective nature of politics and the authority of legal regulations are important sources of positive feedback and are especially important for the maintenance of path dependence in politics (Pierson 2004:31pp). When processes of positive feedback are present, the development is characterised by continuity. However, this is not to be understood in a deterministic sense implying that no other options exist. Instead, some options are simply ruled out due to earlier events (Wood 2001) and the existing institutional order affects later upcoming choices. Accordingly, the sequence of events affects policy outcomes and institutional change and continuity.

But one must not forget – and as discussed in relation to structure-agency above – actors constantly reinterpret and challenge rules that are not in line with their interests. Applying the concept of path dependence to the study of two higher education institutions gives the opportunity to investigate variation in a context in which adaption to policy reforms takes place. The University of Oslo and Telemark University College represent two such different contexts. Being two different organisations, they carry different institutional legacies which give the opportunity to examine how identical national policies and ideas may result in different practices (Pollitt 2008, Danemark et al. 2003). Here, path dependency will be investigated empirically by tracing present phenomena and patterns of action back to the original event.

Equilibrium and punctuated equilibrium, as discussed above, are not to be understood as definite or absolute. Scholars have even suggested that punctuated evolution might be a better term than punctuated equilibrium for the kind of processes to which historical institutionalists actually refer (Hay 2002). Punctuated evolvement even draws attention to what happens in
between crises and also emphasises the effects of incremental change. Several historical institutionalists have pointed out that outcomes of the policy process are slow-moving (Pierson and Skocpol 2002, Pierson 2003). Gradual and incremental change – change that is not caused by any exogenous shocks or crises – is emphasised to a greater extent. Accordingly, it allows us to regard change not only as discrete but also as continuous. According to Streeck and Thelen such transformative “change is often endogenous and in some cases is produced by the very behavior an institution itself generates” (2005:19). Furthermore, actors are regarded as strategic and capable of using windows of opportunity (Thelen and Steinmo 1992). Windows of opportunity are understood as short periods of time with shifting contexts during which an activity can take place – or be missed. These windows “may sometimes be determined by institutional structures and cycles, but they still depend on agents (policy entrepreneurs) to bring them alive” (Pollitt 2008:128-129). This emphasis on incremental development is not quite in line with how Peters and Pierre (1998) categorise historical institutionalism as focusing on change as discrete and disruptive, i.e. as a sharp break with the past which involves path dependence and critical juncture as discussed above. However, the increased emphasis on different modes of incremental change may answer some of the critique concerning the inability to explain change (cf. among others Peters, Pierre and King (2005)). The emphasis on incremental change can also, to a greater extent, bring agency into the analysis. In this dissertation, who plays which roles within the two selected higher education institutions is important for understanding (higher education) practice and the effect on stakeholder influence when national policy is adopted.

3.3.2. Layering, Conversion, Displacement, Drift and Exhaustion

According to Thelen (2003), in order to explain what changes and what continues, mechanisms for institutional reproduction must be separated from those of institutional change. This dissertation makes the same distinction. Increasing returns, as part of path dependence, is an example of a mechanism of institutional reproduction. However, institutional change as series of gradual and piecemeal steps that may change the existing trajectory developed through path dependency is an example of the latter. According to Thelen and Steinmo (1992), there are possibilities for change that arise from within the institutions, i.e. an institutional dynamism that emphasises manoeuvring within institutional constraints. As discussed above, actors are regarded as strategic. The question
of change is thus also a matter of actors’ capacity to affect the institutions, i.e. their values and functions. Here, the actors are assumed to act upon shifting contexts, using windows of opportunity, in order to protect and improve their interests and positions. This does not, however, exclude the possibility that such within-path amendments may still also be “norm driven or contextually determined” (Pollitt 2008:49). The following discusses five modes of incremental change in more depth. These are layering, conversion, displacement, drift and exhaustion (Streeck and Thelen 2005).

Change through layering implies that new arrangements are added to the existing ones. Former rules and structures are synchronised according to present normative, social, and political surroundings as adjustments are actively introduced by political actors. The actors remain largely the same, while the context changes. The synchronisation implies that some elements in a given set of institutions are renegotiated while others are left out. The core is preserved (Thelen 2003, Streeck and Thelen 2005). Each layer implies an incremental change for the institution as a whole. As additional rules cumulate, the institution can change more fundamentally and the trajectory may be altered over time. At the policy level, political actors are the most relevant to examine. At the organisational level, here in higher education institutions, for instance university boards, faculty boards, academics and the administrative leadership filter and interpret rules. Regulative authorities may, for example, have stated the rules explicitly in current regulations or there may not be any strong enforcement of implementation. Where several options exist, internal stakeholders may also choose which rules to follow. The reason why there are several options may vary. An illustration of change through layering can be found in a study carried out on the implementation of management by objectives and results (MbOR)9 in Norwegian education policy (Helgoy 2006). The findings show that until the 1990s, there was close cooperation between professional and political actors in the decision-making processes. Since the middle of 1986, the importance of this collaboration model has diminished. Various decentralisation reforms have been introduced, gradually increasing municipal autonomy and thus municipal and head teacher authority. However, centralisation reforms were implemented at the same time. MbOR and evaluation systems were introduced as tools for gaining efficiency. As a result, the administrative decision-making system changed which again caused diminished corporate influence. MbOR and the evaluation systems were,

---

9 MbOR is often referred to as the Norwegian system of performance management within New Public Management, including both MBO and RÖP as discussed in Chapter Two.
however, not used to pass information between different authorities. They became systems for internal pedagogical development. Accordingly, the conclusion was that “MbOR works as a tool and is amended by processes of layering, while the institutional core is still preserved” (Helgøy 2006:106).

Change through conversion involves reorientation of existing institutions towards new goals, functions, and purposes (Streeck and Thelen 2005). On the one hand, this process is started when actors are confronted with new problems, which lead to new objectives. On the other hand, new actors may come to power and turn the institutional frameworks toward (their) new objectives. These actors may previously have been marginalised. Put differently, redirection of an institution takes place when “the institution incorporates or is captured by a new constituency” (Boas 2007:46). One example could be the University of Oslo as an old and traditional institution. The rising demand that the institution must open up to the outside world brings new challenges. Handling these challenges can result in new institutional objectives that transform the institution, starting a process that can be described in terms of change through conversion. Entrepreneurial actors may here cultivate alternatives (Pierson 2004, Deeg 2005). Conversion, like increasing returns, includes components of stability which refers to that “existing institutions are adapted to serve new goals or fit the interests of new actors” (Streeck and Thelen 2005:26). A study of the political history of the American social security system in the late 1930s – when the social security system built on ideas of family protection replaced that of fiscal conservatism – is here used to illustrate incremental change through conversion. From 1935 to 1939, the social security system was regarded as a self-supporting programme with moderate benefits due to this fiscal conservatism (Bélard 2007). However, during the years of 1937-38 there was a new emphasis on protecting the family and the amendments made in 1939 implied a more redistributive programme compared to the one from 1935. The programme also included spousal and survivor benefits. Using the terminology of Thelen, the social security system was thus reoriented towards new goals, functions and purposes. This was not a change caused by punctuated equilibrium but a change through conversion. This is because “the reform occurred well after the expansionist phase of the New Deal had ended” (Bélard 2007:26) which might have worked as a critical juncture had the changes happened earlier.

Displacement implies change which occurs when alternative institutional arrangements are rediscovered and cultivated. Traditional forms and behaviour lose support “as growing numbers of actors defect to a new system” (Streeck
and Thelen 2005:20). Change through displacement can also take place in situations that involve a metaphoric invasion of foreign practices. Some scholars claim that such change needs to be cultivated locally by enterprising actors (Pierson 2004, Deeg 2005). A study of the German financial system where two competing logics of action coexist will illustrate change through displacement (Deeg 2005). First, traditional German institutions, i.e. a bank-based system, are dominated by the logic of voice. The bank-firm relationship is characterised by mutual trust and obligation. The financial participants cultivate long-term but still distant relationships. Second, traces of a new logic of action are emerging – but it has not yet become dominant. This new logic is that of exit which is normally to be found within the market-based system and is now also found within traditional German institutions. This evolution originates from the fact that from the late 1960s to the early 1990s, commercial banks experienced a decline in borrowing by large firms – along with diminishing benefits. Accordingly, the banks-firms relationship was not as close as it used to be and the ability of system reproduction diminished. New competition strategies were developed, i.e. “financial activities related to capital markets, most important underwriting and trading” (Deeg 2005:179). This also involves the presence of the new logic of exit. Displacement as a mode of gradual change applied to higher education institutions might lead to the rediscovery of previous internal organisation forms, e.g. consultative bodies first being replaced by bodies having decision-making authority which again were replaced by consultative bodies.

Change through drift implies that if institutions are not tended to, or actively maintained “they can be subject to erosion or atrophy through drift” (Streeck and Thelen 2005:24). Put differently, the capacity of the institution changes if it does not respond to changing circumstances in its environment. The lack of response may for instance be encouraged by decision-makers. The defeat of the Clinton health plan is claimed to represent policy change through drift – or change without reform (Hacker 2005). The existing institutions’ ability to cope with risk protection changed. This was because the constellation of risk transformed over time – here reflecting a changing environment. However, no changes were made in the policy to handle this new situation. The process can be described as follows. The changes in the constellation of risks were due to transformations in work and family: increased earnings inequality, increased unemployment, more use of part-time employment, increasing divorce rates and more single parents (Hacker 2005:50). There has been little willingness to cope with gaps in the social protection framework resulting from
these changes in the constellation of risks. Conservative politicians – in cooperation with medical interests, insurance companies and employers – blocked the decision to make any structural changes matching the changing environment when the Clinton Administration launched its health reform. Accordingly, the institutions’ capacity to protect against social risk has eroded.

Exhaustion is less a question of change but rather involves the slow-moving breakdown of the institution. Streeck and Thelen describe exhaustion as “a process in which behaviors invoked or allowed under existing rules operate to undermine these” (2005:29). Institutional dynamics work in a self-undermining way over time and finally lead to institutional failure and collapse. Here, the study of the evolvement of German early retirement policies serves to illustrate change through exhaustion (Trampusch 2005). In the early 1970s, early retirement was used to handle difficulties in specific parts of the industrial sector. The social security system took on most of the costs. In the late 1970s and 1980s the use of early retirement expanded as Germany experienced economic decline. Increasing unemployment rates, especially throughout the ensuing process of the German unification, resulted in an expansion of the use of early retirement beyond any reasonable limit. In the mid-1990s, in order to solve the crisis of the public system, the funding system changed, turning from being publicly financed to a system of collectively negotiated benefits. Accordingly, early retirement was no longer a question of social rights and the capacity of public policy has been restricted. This can be perceived as an exhaustion mode of change because the overextension of early retirement set “the stage for its subsequent retrenchment” (Trampusch 2005:221).

Theoretically it is, however, difficult to make distinctions between these five modes of change. Even Pollitt has argued that “Thus they are not processes which are unique to one type of result – they are themselves indeterminate in this respect” (Pollitt 2008:47). The empirical examples given in this review can be useful all the same. Furthermore, several modes of change may work alongside each other, or the first stage of a process may be characterised by for example, layering while at a later stage it may be characterised as displacement if the actors start to act according to a new logic.

Stakeholder influence in higher education practice may change in the following ways: through national policy reforms, through the adoption of these policies in higher education practice and finally it may disrupt path dependence either through big shocks in the system and/or through modes of incremental change. The discussion below expands on this and aims to clarify the locations of agency and the stakeholders.
National higher education policy is seen as a kind of elite policy making. This implies that most of the changes higher education institutions and thereby stakeholder influence in higher education practice, are exposed to, have been top-down. That is, White Papers, policy statements, legal regulations, etc. have been conceived and executed by external stakeholders – the Government, the Parliament and civil servants – with regard to the higher education institutions. Other actors or groups of actors may of course also affect national policy but this is beyond the scope of this study. National higher education policy affects higher education practice within the organisations; i.e. the norms and structures of the stakeholder regimes, which in turn are constituted by the local/institutional adaption of the reforms and the effect this has on stakeholder influence.

Path dependence, increasing returns and reproduction are here used to explain the lack of change in stakeholder influence in higher education practice. They are based on the idea that change has a cost and that what is invested in the existing system may function as disincentives for change. Given this emphasis in my study, explaining the path in national policy lies outside the scope of the present analysis. The existing path in higher education practice may, however, be punctuated and a new path created through critical junctures, as described above. We may assume that major events function as critical junctures that can cause changes of trajectory. Exogenous events which may affect both national policy and higher education practice will be included in this study. An example of one critical juncture mentioned in the introduction to this dissertation was the large increase in the number of students. This was a major socio-economic exogenous event – the massification of higher education – that may have affected the adaption of national policy which in turn affected stakeholder influence. Socio-economic events are mainly structural even though a large increase in the number of students is expected to empower the group of students as agents, capable of altering the existing institutions. Other examples of socio-economic shocks could be the oil crises in the 1970s and the subsequent wage and price freeze. Other trends affecting higher education policy were referred to in the introduction of this chapter. In the following discussion, ideas on democratisation, regional policy and liberalisation of the public sector will also be considered.
Chapter Four

Research Design, Method and Empirical Material

4.1 Introduction

In this chapter, methodological challenges and choices will be reviewed and discussed. The chapter starts with a discussion of the use of ideal models and continues with an account of case study design. Then follows a presentation of the criteria used in the selection of the cases to be examined. Next, periodisation, as applied in this dissertation, is accounted for. This is followed by a section on policy process tracing as an analytical method. The final section reviews the sources of empirical data used to analyse stakeholder influence.

4.2 Ideal Models

As previously noted, the stakeholder regimes are designed as ideal models. Assumingly, in multiple qualitative case studies ideal models can be productive because they help clarify similarities and differences as well as illustrating the relations between the categories (Grønmo 2004). Empirically, these models will be found in their pure state only in exceptional cases (Guneriussen 1999). This implies that the four stakeholder regimes represent different ways of conceptualising stakeholder influence in higher education institutions – whether in a university or a university college. Real-life, here in terms of higher education policy and practice at any given time can, however, never be expected to be fully in accordance with any of these regimes. Rather, the question is to what extent real-life can be described as an expert, welfare, bargaining or entrepreneurial regime in the sense of ideal models. Accordingly, both higher education policy and practice are likely to be a mixture of two or more stakeholder regimes where one may be more manifest than the other(s). This is due to the use of policy instruments stemming from different ideas about governance, since all of these ideas are unlikely to change at the same time (Peters 2001).

There is, however, a risk that the categories of the stakeholder regimes overlap or that statements in for instance the annual reports or the strategic plans relate to more than one category. We can illustrate such challenges, for instance, with reference to statements made by the Telemark College of Education about including students in the knowledge community. These statements can first be understood as expressing cultural values, concerning the
purpose of higher education. Second, they also illustrate the College's stance towards students; the students' goal is perceived as that of attaining education and knowledge. These are both illustrations of the expert regime and can hence be understood as one aspect reinforcing the other. Another illustration is the higher education institutions' cooperation with external stakeholders on new study programmes – an action that requires the use of more than one characteristic of the stakeholder regimes to be understood in full. In the late 1970s, Telemark Regional College established a study programme on request from the Norwegian Bookseller Association and the Ministry of Education. This may be understood in terms of demonstrating utility values as part of the purpose of higher education. They might for instance have referred to knowledge per se and the statement would have been categorised differently, i.e. as demonstrating cultural values. At the same time, the University College's response to demands on higher education was to open up to the surrounding environment rather than implementing public policy. Hence, the actions of the Regional College demonstrated features of both the welfare and the entrepreneurial regimes. However, the College could have justified its cooperation with external stakeholders in other ways.

4.3 Case Study Design

The method used in this study is that of a case study design. The dissertation has the empirical objective of contributing to knowledge about stakeholder influence. The phenomenon is studied at both a university and a university college, the University of Oslo and Telemark University College respectively, through time, from 1965 to 2006. The study is, however, theoretically based. Data are interpreted within the theoretical framework of the four stakeholder regimes; the expert, welfare, bargaining, and entrepreneurial regimes, and the study queries whether the nature of the influence is voting, economic or political. Explanations of continuity and change, here in terms of path dependence, critical junctures and modes of incremental change as defined in Chapter Three, are elaborated from the approach of historical institutionalism. Accordingly, the research questions contain both a descriptive which-question and an explanatory how- and why-question. Case studies are considered suitable for this purpose (Yin 2003). How things happen is important and case studies require closeness to actors and processes. Knowledge about changes, or development, over time is also significant (Andersen 1997). These questions are thus related to both previous and contemporary governance models and
phenomena, i.e. from the mid-1960s to 2006. This should make a multiple-case study the research strategy of preference (Yin 2003).

Historical institutionalists make extensive use of case studies. However, these case studies are not the type that analyse the effect of independent variables on a dependent variable (Hall 2003). In historical institutional analyses, the emphasis is on “the relationships and interactions among a variety of variables in a way that reflects the complexity of real political situations” (Thelen and Steinmo 1992:13). Explanations of the phenomena are made through a perspective that renders it possible to discover how the theoretically relevant factors are related over time.

This study of norms and structures affecting stakeholder influence is carried out as a case study comparing stakeholder influence at two higher education institutions. There is much debate about what constitutes comparative research. However, in this dissertation these institutions are not compared in a strict sense, i.e. applying either a most similar or a most different system design – as described by George and Bennett (2005), Yin (2003), and others. The policy process tracing method offers an alternative to these forms of controlled comparison, see also Section 4.6. According to Hall (2003), such a comparative approach should be understood as a way of investigating causal processes in each case. Furthermore, comparisons of a small number of cases allow for in-depth analysis and facilitate understanding of historical processes (della Porta 2008). The results from each case are contracted within a common theoretical framework (George and Bennett 2005). In relation to this study, the use of the term ‘in-depth analysis’ refers to an investigation of stakeholder influence that is based on a large number of characteristics, i.e. the stakeholder regimes, over a relatively long period of time.

This study compares the development of the stakeholder regimes and stakeholder influence within two cases, the old institution of the University of Oslo and the more recently established institution of Telemark University College. Interesting questions are as follows: Do their practices in terms of interpretation and adaption of policy display different institutional legacies? Do we find the same or different types of change and reproduction at work; do they differ over time – and if so, in what way? Furthermore, how well has the Government succeeded in making an old institution comply with national policy goals compared to the compliance gained in a relatively new institution? National policy as investigated in Chapter Five is considered to be contextual for both institutions. Following the reasoning of historical institutionalism and path dependence, older institutions are assumed to be more resistant to change
than more recently established institutions (Pierson 2004, Thelen and Steinmo 1992). It is therefore appropriate in this investigation to compare an old and a new institution. Furthermore, Oslo, being the Norwegian capital, does not need traditional regional development. The University of Oslo is thus not expected to feel the need to interact primarily with regional and local authorities or industry and business, i.e. location is of less importance. For the university colleges, the context is different. As argued in Chapter Five, regional development was actually one of the political arguments for the initial establishment of regional colleges. Additionally, relatively new institutions are assumed to be more flexible and less crystallised in their thinking. For a further review of the expected differences between the two cases, see Section 4.4 on selecting higher education institutions below.

The opportunity to draw general conclusions on the basis of the results from this study is limited. The aim of this dissertation is to explain rather than simply describe a series of events within two practices of Norwegian national policy and how they affect stakeholder influence at the institutional level. The study aims to contribute through a rich description of Norwegian higher education policy and practice at the two selected higher education institutions. It can also be expected to contribute to knowledge about a more general complex of problems since it is a case which studies national policy reforms and their affect on stakeholder influence at the institutional level. As higher education scholars explain, “a sufficiently thick description of a case allows readers to evaluate for themselves its applicability to other contexts with which they are familiar” (Prichard and Trowler 2003:2003:xvii). Furthermore, it has also been pointed out that case studies which focus on individual institutions or specific periods may contribute more general knowledge both in space and in time. First, given that higher education institutions have some fundamental features in common it is presumed that studies of one or a few of them may contribute to the understanding of the others. Second, knowledge about one timeframe may correspondingly give understanding of previous and later periods (Christensen and Midgaard 1997).

The University of Oslo and Telemark University College were selected to illustrate trajectories in the development of stakeholder influence practices. The next section reviews the considerations made regarding the selection of these two cases after first briefly reviewing the organisation field of public Norwegian higher education institutions.
4.4 Selection of Cases

The Norwegian higher education system is a binary system. At the time of case selection in 2006, the university sector comprised six universities and five scientific colleges. Scientific colleges are specialised higher education institutions with study programmes at the highest level in their fields: veterinary medicine, business administration, architecture, physical education/sports and music respectively. The non-university sector comprised twenty-five university colleges. The non-university sector refers to the more vocationally oriented higher education system outside the universities. The non-university institutions offer vocational study programmes as well as university courses of a shorter length.

The scientific colleges are not relevant for this study. Their specialisation and the fact that they are not extensively multi-disciplinary institutions exclude them, even though several are old and presumably rich in tradition. The comparison of a university and a non-university is more interesting in terms of the assumptions of both historical institutionalism and stakeholder theory. These theoretical frameworks are the basis for the strategic selection of these two institutions. In the late 1960s, one of the goals in establishing the regional colleges was to contribute to regional development (Kyvik 1981). Presumably, several external stakeholders were thus exercising their influence from the very beginning. These stakeholders came from both local and regional authorities as well as trade and business. As for the universities, their objective was to serve general ideals of knowledge and decorum and to preserve knowledge and the knowledge community. Recently, however, the relevance of the universities has been questioned; they have been accused of being isolated from the outside world and expected to remedy this fault. Traditional universities have been assumed to be isolated from their environment; they are primarily concerned with cultural values. In accordance with these assumptions, and with reference to the discussion on stakeholder influence in Chapter Two, internal stakeholders are thus supposed to be the most important. Professors and other senior academics are the internal stakeholders with political influence and invested authority to make formal decisions.

Several criteria have been considered when it comes to selecting one university and one university college among the range of possible candidates. In this study, the choice of two cases is based on strategic selection (Yin 2003). Major criteria are variation in age and location. The choice of these criteria is

---

Scientific colleges have the right to establish study programmes at all levels within their respective speciality.
based on the assumptions discussed in the previous chapters. To recapitulate, first, old institutions are assumed to be more resilient and resistant to change than institutions which are established more recently. Second, institutions located in or nearby one of the major cities are assumed to be less preoccupied with regional development than institutions located in rural areas. The fact that two of the universities\footnote{The University of Stavanger and the Norwegian University of Life Sciences.} obtained their university status in January 2005, make them less suitable for studying change and continuity in stakeholder influence when my purpose is to investigate practice in one university and one university college over time. In 1969, the University of Trondheim was established. However, in 1996 it was merged with the Norwegian Institute of Technology – originally established in 1910. Today, its official name is the Norwegian University of Science and Technology. This merged institution is not selected as a case in this dissertation due to this merger of two assumedly quite different institutions. The University of Tromsø opened in 1972\footnote{The Parliament reached the decision in 1968.} and is thus a rather young university. It was a new kind of university as it focused on new and different modes of teaching (Cerych and Sabatier 1986). Given the assumptions about universities being more traditional and harder to change, Tromsø seems less suitable for this study.

The University of Oslo is the oldest and largest Norwegian university, established in 1811. It also offers the widest range of study programmes and degrees. Today, there are about 30,000 students and 4,600 employees. The university has the following faculties: Theology, Law, Medicine, Dentistry, Mathematics and Natural Sciences, Humanities, Social Sciences and Education. Accordingly, the University of Oslo as one organisation has to relate to several faculties, departments, and disciplines. There are many presumably conflicting objectives and interests to take care of and balance.

A university college with a wide range of academic subjects as well as vocational training would therefore be a suitable object for comparison in this study. The following university colleges are examples of institutions that would fit such requirements: Ostfold University College,\footnote{This is the University College at which I am employed. Due to this closeness it has been ruled out.} Agder University College,\footnote{At the time of case selection, Agder University Colleges had applied for university status, which it received in September 2007.} Bodo University College, Finnmark University College and Sør-Trøndelag University College. Some university colleges were involved in merger negotiations at the time I selected cases for this study, for example the university colleges in Hedmark, Lillehammer and Gjøvik. Furthermore, these
institutions were not subject to the merger in 1994, unlike many of the other non-universities. This makes them less suitable cases for this study.

The non-university case selected for this study, Telemark University College, is located in the county of Telemark. It offers a broad range of vocational training and academic subjects at both undergraduate and graduate level. Today there are about 4,900 students and 500 employees spread on campuses in Notodden, Rauland, Bø, and Porsgrunn. Porsgrunn houses the Central Administration Services. The faculties are as follows: Art, Folk Culture and Teacher Education, Art and Sciences, Health and Social Studies, Technology (Engineering). The different campuses represent former higher education institutions merged into Telemark University College in 1994. These institutions were Telemark Regional College, the College of Engineering, the College of Education, and the College of Nursing and Social Work Studies. The College of Education, part of the national teacher education system, consists of several different programmes of educational training. These are preschool, specialist, vocational and general teacher educations as well as a one-year practical pedagogical education programme. The general teacher education programme is the oldest and largest (Karlsen 2005). Telemark Regional College was among the first established regional colleges in Norway, i.e. in 1970.

Given the existence of several individual colleges in the region before 1994, it may thus be claimed that Telemark University College and its predecessors constitute not one but several cases. However, I will argue in favour of treating the colleges as one case. From the moment the colleges gained status as higher education institutions, they were all governed by one superior administrative body, Telemark Regional College Board just as the present faculties are now governed by the University College Board. Furthermore, given the theoretical and analytical approaches of this study, i.e. tracing the institutional legacy of the Telemark University College, it is most productive to treat the colleges as one single case.

The fact that the Telemark Regional College Board and the individual colleges have existed for so long, is significant in this analysis since it takes 1965 as its point of departure. Furthermore, the establishment of a regional college and the realignment of different vocational study programmes as part of higher education institutions allow an investigation of institutional formation and transformation (Streeck and Thelen 2005, Thelen and Steinmo 1992), two important events when studying change and path dependence. Changes are

---

15 However, there is one exception. The campus for Health and Social Studies was later relocated from Skien to Porsgrunn.
expected to be more incremental at the University of Oslo than at Telemark University College. As a merged institution, Telemark University College is quite young compared to the University of Oslo. Likewise, the different study programmes offered in the regional education system from the mid-1970s are relatively new. However, as institutions for vocational training – without higher education status – the regional colleges are definitely older.

4.5 Periodisation

The purpose of the analysis is to distinguish central elements of policy development and establish which stakeholder regimes can be identified in the time periods in question. However, there is a need for a delimitation which includes the time frame of this study. Periodisation will contribute to such delimitation.

Periodisation is important in historical analysis (Lieberman 2001). Because we assume that some events are more significant than others, such periods can be used as dividing lines. The analytical arrangement of this study has both a diachronic and a synchronic dimension. Processes over and in time are examined; the classification into different phases of both the analysis and the presentation is integral to the discovery of empirical patterns. Accordingly, the timeframe from 1965 to 2006 is here subdivided into three periods, 1965-1986, 1987-1997, and 1998-2006. There are several reasons for choosing 1965 as the starting point of the analysis. Until the mid-1960s, no policy sector for higher education existed in Norway. The Ottosen Commission was appointed in 1965; it was the first Commission established to assess all post-secondary education and resulted in five Commission Reports and a number of White Papers. The two other periods, 1987-1997, and 1998-2006, also resulted in corresponding reports; the Hernes Commission was appointed in 1987, and the Mjøs Commission in 1998 (the Quality Reform) respectively. There are at least two reasons for starting each period with the appointment of the commissions – and not with their (first) report. First, the appointment may in itself raise specific issues within a policy area. Second, important policy signals are often delivered in the commissions’ mandate, given by the policy makers.

In Norwegian policy, commission reports are important steps in the introduction of changes. Before compiling the suggestions in a White Paper, the reports are subject to broad hearings. Furthermore, these commission reports are important sources of information in policy studies in general. This dissertation uses the above-mentioned commissions and their reports as
dividing lines in order to analyse change and continuity in stakeholder influence over time. The analyses in the empirical Chapters Five, Six and Seven are thus all structured according to this periodisation, i.e. 1965-1986, 1987-1997 and 1998-2006.

4.6 Policy Process Tracing as Analytical Method

Policy process tracing is used here as an analytical method. The focus on sequences of events implies that multiple observations are analysed to recreate how the processes unfold (Hall 2003). George and Bennett (2005) describe policy tracing as a method consisting of two major characteristics. First, the study is to be structured according to theoretically deduced questions. These are posed in each case in order to standardise the data collection. This is to ensure that the data obtained are comparable. In this study, the stakeholder regimes developed in Chapter Two – derived from public administration literature, governance models and stakeholder theory – constitute such a theoretical framework. Second, it is a method involving focused comparison. This implies that only certain theoretically relevant aspects of the selected cases are in focus. This dissertation focuses on stakeholder influence in higher education institutions’ practices as outlined in the previous chapters. Stakeholder influence is analysed within one case over time – during the last 40 years. Accordingly, a diachronic comparison is made possible and each institution will be compared to itself at various points in time. Furthermore, the two higher education institutions are compared (synchronic) especially when it comes to explaining continuity and change in stakeholder influence.

The application of historical institutionalism is based on the ontological understanding that political outcomes result from “causal processes in which distant events, sequencing, and complex interaction effects play important roles” (Hall 2003:398). The causal mechanisms are not directly observable, i.e. physically, but may include different social processes such as information, purposes, beliefs, and interactions. Explanations built on causal mechanisms, however, reveal nothing about the strength of interaction effects. Causal mechanisms can be defined as “an unobservable entity that – when activated – generates an outcome of interest” (Mahoney 2001:580). This does not present explanation in a strictly scientific way as such, for example, estimating correlation through congruence tests (Thelen and Steinmo 1992, George and Bennett 2005). Correlation in itself is not a sufficient basis for causality claims. Theory should thus contribute to more than simply identifying a few causal
variables. The emphasis is rather on the interaction between theoretically relevant factors. In order to connect factors and outcomes, observations of processes in empirical cases are important. Moreover, it has been pointed out that policy process tracing is extensively guided by theory in order to study the history underlying the outcomes (Hall 2003). The stakeholder regimes developed in Chapter Two will function as theoretical guidelines. These regimes, i.e. different norms and structures, constitute the foundation for the empirical examination. For a further discussion of the theoretically based questions guiding the empirical analysis, see Chapters Two and Three respectively.

4.7 Empirical Material

This dissertation applies documentary analysis as the mode of data collection to explore the evolvement of stakeholder influence in higher education policy and practice. As reviews of higher education literature have shown, documentary analysis is also the dominant method applied in policy studies (Tight 2003). This study is based on three kinds of documents. First, national policy documents, i.e. commission reports, White and Green Papers, budget proposals and legislations will be analysed in order to investigate the policy level in terms of the four stakeholder regimes outlined in Chapter Two. Policy signals with regard to demands and tasks the government expects higher education institutions to prioritise and fulfil can be manifested in White and Green Papers and budget propositions. An examination of these documents will reveal which activities that are strictly regulated and hence in which domains higher education practice is formally left with little room for manoeuvre.

Secondly, primary data concerning each of the two selected institutions is applied in order to investigate higher education practice. It is a matter of documents that can contribute to answering how the University of Oslo and Telemark University College have interpreted and adapted national demands and prioritisations. Furthermore, who the actors actually were, the roles they played and the norms they were guided by are also of relevance to the overall research question. The internal records contain documents such as annual reports, budgets, board minutes, internal memoranda, strategic and other planning documents, reports from internal evaluations and committees of inquiry and local regulations. Given that this study covers the period from 1965 to 2006, i.e. about 40 years, a corresponding number of annual reports and budgets concerning the University of Oslo have been read. With regard to
Telemark University College, the availability of documents was not as straightforward. Before the merger of Telemark University College in 1994, the four individual colleges had their own budgets, annual reports, etc., which are all found in separate archives. This also applies to their common body, the Telemark Regional College Board, which was operative from 1976 to 1994.

The various records give different but complementary information. Budget proposals can give information on the institutions’ priorities for instance in important areas of education and research, the need for established posts, etc. Compared with the assigned budgets, potential differences with regard to governmental priorities may be revealed. Annual reports give a concentrated presentation of the work of the body executing the highest authority at the higher education institution in question. The corresponding board minutes present more detailed information about these bodies and their work. Board minutes will also give information about which issues have been most contested. Memoranda include for instance preparatory papers from the director or the rector to the board. These preparatory papers often give background information on the issue in question. Furthermore, they show the argumentation underlying the final decision taken by the board. Even though they are relatively easy to access, these memoranda and preparatory papers have a less official status than documents like board minutes and annual reports. This is because they are primarily aimed at forming the basis for decisions made by the board members. Strategic plans and annual reports aim to display goals and achievements for a fixed period. These goals will be analysed with regard to cultural vs. utility values, stance towards students and demands on higher education, i.e. how the institutions relate to their environment. Looking into such a broad spectrum of documents gives the possibly to track down papers related to issues like for instance the establishment of new study programmes, cooperation and agreements, planning and evaluation of internal activities and organisation discussed in various forums within the higher education institution in question.

One problem with these kinds of documents is, however, that many of them are written with a certain recipient in mind and therefore reveal only one of several perspectives for the analyst (Gronmo 2004). Reports may for instance have been written to show regulating authorities that national goals have been fulfilled. However, using documents that are aimed at both internal and external recipients, e.g. memoranda, case documents and annual reports, may to some extent help reduce the problem of validity. Board minutes – including information on voting and dissent – and memoranda can give insight into different actors’ or groups of actors’ positions and their relative influence.
on specific matters. The Board is expected to make statements in public hearings, e.g. on law proposals. By analysing these minutes, issues that are prepared and discussed for an extensive period as in this study may give insight into alternative views and statements from different groups.

The analysis of different events and policies during this relatively long period does not rely solely on primary data. They are supplemented with existing studies of national policy and of the two selected institutions’ practices related to the studied phenomenon. Although studies by other researchers only cover partial time segments of my study, they will comprise a useful complement to the primary data. The contribution of this dissertation is thus the theoretical and methodological approach used not only on the primary data, but also on previous research. This also applies to the compilation of the entire study. Three publications have to be brought up especially. First, Jan Fridthjof Bernt, professor of Law at the University of Bergen, has written books commenting on the two latest acts on higher education institutions (Bernt 2000, Bernt 2006). Bernt gives rich comments on the various provisions as well as background information. These books have been important in order to better understand the legal regulation of Norwegian higher education institutions.

Second, John Petter Collett, professor of History, has written a book on how the University of Oslo came into being and on its history from 1811 to 1999 (Collett 1999). The book forms part of the research project Forum for University History, which Collett is currently leading. The Forum was established in preparation for the upcoming 200th anniversary of the University of Oslo in 2011. Collett’s research has been important to me because it gives a historical overview of much of the period studied here. However, I have a different theoretical and methodical approach which gives this study an independent approach to the investigation and analysis of the archive documents.

Third, the leader of the secretariat of Telemark Regional College Board, and later director, Birger Risnes, has put together and commented on facts related to the development of the higher education system in Telemark (Risnes 2005). Much of this information is, however, also found in the official archives. Risnes’ collection of facts and of newspaper articles has been used as a source for background information and for facts on events and participants that could be further traced in the ordinary records.

I have chosen not to conduct interviews and use them as a source of information. On the one hand, this is because I investigate two higher education institutions over a relatively long period of time. Other dissertations
that combine documentary analyses with interviews seem to focus on only one higher education institution for a shorter period of time than 40 years, (cf. Sundström 2003, Dzin 2009, Melander 2006). The material dealing with the University of Oslo and Telemark University College and its predecessors was especially large-scaled. This reflects the tradition of the Scandinavian public sector for keeping written records. This is in contrast to what is the case in the American or British public sectors. Documents concerning Telemark University College relating to the time prior to the merger in 1994 are to be found in separate archives, i.e. one for each of the individual colleges. The records were to a certain extent found in disorder. Some documents were not filed according to the current key to the records, i.e. papers concerning different subject were mixed up. This made the search and collation of documents time consuming and challenging with regard to exercising carefulness.

On the other hand, talking about events that go back 40 years can be a great challenge. What people actually remember, and the variety of myths and conceptions that have been established throughout the years will affect the quality of the collected information (Gronno 2004, Keats 2000). Moreover, the incomplete and selective memory of informants – often because much time has passed – affects their trustworthiness and reliability (Andersen 2006). What informants are willing to talk about may depend on how they define their role in what happened at the time. Interviews would thus not necessarily improve the study’s construct validity or the reliability of the case study evidence. Moreover, if interviews were to be conducted, most informants would most likely have information concerning the last 10 to 15 years. This would represent a discrepancy with regard to the information available for the first 25 to 30 years that this study covers. Accordingly, which voices should be prioritised raises a methodological problem.
Chapter Five

Stakeholder Regimes in Norwegian Higher Education Policy
1965-2006

5.1. Introduction

During the last 30-40 years, there have been major changes in the Norwegian higher education sector. Until the late 1960s, no such sector existed at all. Today higher education is an often debated policy area, both in political debates and in the news media. So what determines what universities do? National policy may be one such determinant. Internationalisation should be taken into consideration, and higher education policy in other countries, perhaps especially the European Higher Education Area, also affects what Norwegian universities do. However, Norwegian policy and practice are the subjects for this study.

This chapter deals with part of the first research question; which norms and structures for stakeholder influence in higher education policy and practice have developed during the period 1965-2006? Here, it is policy, more specifically Norwegian higher education policy, which is in focus as a means of creating a context for examining higher education practice. Accordingly, the chapter presents an overview of the major features of Norwegian higher education policy, structured according to the stakeholder regimes presented in Chapter Two. The presentation starts with the appointment of the Ottosen Commission, which submitted its first report in 1966, and concludes with the latest legislative act on universities and university colleges dating from 2005. The purpose is to distinguish central elements of policy development and to establish which stakeholder regimes can be identified and at which point during the last 40 years. This examination will found the basis for studying whether and how the University of Oslo and Telemark University College have complied with national policy – a discussion to be taken up in Chapter Nine.

Empirically, the following analysis draws upon three commission reports, the Ottosen, Hernes and Mjøs reports respectively as well as White and Green Papers on higher education policy submitted between 1965 and 2006. Higher education acts concerning the same period are also examined.
5.2. 1965-1986 A Welfare Regime with Elements of the Expert and Bargaining Regimes

This period was characterised by an enormous increase in the number of candidates with an academic degree as well as the number of students qualified for higher education studies. In 1968, the total number of the population holding an academic degree was just short of 43,000. At the same time, the estimated number of students for 1985 was about 90,000 (Ottosenkomiteen 1965-70). The Government thus faced a huge challenge with regard to the capacity and ability of Norwegian higher education institutions to meet future needs for higher education. Moreover, the universities experienced pressure on their study programmes and hence both on the academic staff and the campuses.

In 1965, the Ottosen Commission (1965-1970) was appointed. This was the first commission ever to be charged with the assessment of all post-secondary education. Its mandate was to create a more modern education system, i.e. more efficient, and to increase educational capacity. The latter was based on principles of student demand. The two main recommendations were to set up an education system that, first, implied the development of regional tertiary study centres, which were expected to integrate existent tertiary education programmes in the county. Second, the Commission argued in favour of establishing regional colleges (NOU 1988:28). These recommendations might be seen as arguments for decentralisation. All shorter post-secondary vocational education was supposed to be given in the study centres and the regional colleges were allowed to include a certain number of university disciplines (Kyvik 2002a). The recommendation to establish study centres was, however, rejected due to regional educational political arguments. It was assumed that fewer study centres would mean that fewer places would benefit from having a higher education institution and these institutions would thus not be sufficient as regional policy instruments. However, regional policy arguments were used in the following report to the Parliament. It was pointed out that the regional authorities were to decide whether new study centres were to be developed or if those already existing should be expanded. Furthermore, the objective was to improve the regional level of qualification. The regional colleges were to engage in regional development and research (St.meld. nr. 17 (1974-75)).

As early as 1966, the first regional colleges – organised county-wise – were set up as pilot projects. This college system consisted of engineering colleges, colleges of education, colleges of nursing and health studies and regional
colleges. Accordingly, vocational training was upgraded and became part of higher education during the 1970s and the early 1980s.

Values
An examination of the content of these and the subsequent recommendations reveals that, on the one hand, higher education was described as a cultural institution with emphasis on democratic values such as participation. The Ottosen Commission emphasised the intrinsic value of education for the student’s personal development, emphasising that “Education opens wider human horizons, creating deeper insight and enabling the individual to develop his or her abilities and interests and to live a richer life” (Ottosenkomiteen 1966:12, my translation). Additionally, education prepares the individual for actively taking part in decisions concerning societal priorities (Ottosenkomiteen 1965-70). The Government further underlined the cultural values of the purpose of higher education by describing the function of higher education institutions as “to preserve, renew, and disseminate the knowledge and culture of society” (St.meld. nr. 17 (1974-75):16, my translation). These cultural values described here, reflect the values of the expert regime.

However, the utility aspect was important as well. Higher education would presumably generate economic growth and serve working life needs. Higher education was expected to lead to professional qualifications and strengthen the possibilities of the individual in the labour market (Ottosenkomiteen 1965-70). In addition to highlighting its more general economic and social impact, the Government signalled that higher education was regarded as an instrument for forging social and economic equality (St.meld. nr. 17 (1974-75)). Higher education was regarded as a welfare benefit and it thus became important to create equal educational opportunities. These qualities are characteristics of the policy of the welfare regime, as well as of the expert regime, as previously described.

The Role of the State
The features of the role of the state were twofold during this period – expressing both those of the welfare regime and to some extent the expert regime. The latter is illustrated by the aloofness of the national authorities early in this period. When they appointed the Ottosen Commission, making the connections between higher education and economic growth visible, the national authorities took on a more active role – that of a social planner. Above, it was pointed out that practically no policy on higher education existed before
the appointment of the Ottosen Commission. Despite the lack of explicit policy before the 1960s, funding was one major way of governing the institutions; cf. the discussion of treasury tools below. It may well be claimed that having no policy is a policy per se, i.e. the universities possessed a considerable degree of autonomy. They were, however, not explicitly protected from the outside world, which would have been more directly in line with the expert regime. In the mid-1970s, on the other hand, the Government stated explicitly that “Higher education is the responsibility of the state” (St.meld. nr. 17 (1974-1975):25, my translation). Accordingly, national authorities were expected to establish the frames within which higher education was to function and the Government may thus be regarded as a social planner in line with the welfare regime.

Within these national frames, both universities and non-universities were delegated responsibilities of academic and administrative nature. This was also the case for the recently established regional colleges. However, the Ministry was to appoint members to the boards of the latter. Furthermore, the increasing understanding among national authorities was that higher education could be applied as an instrument for economic growth; or as stated in the last White Paper reviewed concerning this first period, “higher education may be seen as a major contributing factor in economic growth” (St.meld. nr. 66 (1984-1985):6, my translation).

Demands

During this first period, higher education institutions were confronted with new demands from politicians and the general public; they expected the institutions to open up to the surrounding society. The Ottosen Commission referred to the prevailing view that higher education was withdrawn from real life and partly served the establishment. The new, non-university institutions such as the regional colleges in contrast were supposed to have actual and continuous contact with economic life, the public sector and civil society. According to the Commission, this might be realised through close cooperation with local industry and business with regional colleges designing new study programmes (Ottosenkomiteen 1965-70). This trend can be interpreted as having features from both the welfare and the entrepreneurial regimes. On the one hand, institutions that pursued the objective of close cooperation with industry and business might be understood as implementing public policy as a characteristic of the welfare regime. On the other hand, depending on how they did this, it
may also be understood as delivering services and opening up to the outside world – characteristics of the entrepreneurial regime.

Because higher education institutions received public funding, it was argued by the highest authorities that the relevance of higher education had to be ensured; higher education ought to be the subject of debates both in Parliament and in society more generally. According to the Government, one way of encouraging such debate was to establish a system of admission that also considered working life experience. This, it was argued, would “stimulate the recruitment of students who have learned from the school of life and who are capable of making connections between education and working life” (St. meld. nr. 17 (1974-75):19, my translation). Yet another way was to create internal management structures that ensured contact between regional colleges one the one hand and the labour market and society on the other (St. meld. nr. 17 (1974-75)). This had consequences for the national regulation of the composition of the boards – which is discussed along with internal organisation below.

Efficiency and flexibility are demands discussed by the Ottosen Commission. However, the terms had slightly different implications at the time than they have today. In the late 1960s, study efficiency meant obtaining low dropout rates and effective learning processes. Flexibility was understood as designing systems that ensured convertibility between institutions, especially between regional colleges and universities and scientific colleges (Ottosenkomiteen 1966). As we can see, compared to the present situation the economic aspect was more likely to be combined with a pedagogical aspect.

Moreover, the Government’s arguments on higher education and its relationship with economic growth were not the only concern. Higher education policy may also be linked to the doctrine of full employment. The Government used the revenues from petroleum activity extensively to maintain a high employment level (Skånland 2004). This also affected the higher education institutions as will be shown in Chapters Six and Seven.

**Stance towards Students**
The stance towards students expressed in the documents covering the first period, reflected a mixture of what has previously been described as the welfare regime and the entrepreneurial regime. On the one hand, students ought to be properly qualified in order to obtain a job. The Ottosen Commission claimed, “education in the broadest sense might be understood as a major social benefit” (Ottosenkomiteen 1966:12, my translation). On the other hand, the students were referred to as consumers. They were now referred to as a workforce
reserve and acquiring an education was thus a type of consumption (Ottosenkomiteen 1966). Furthermore, everyone who wished to graduate was supposed to have access to higher education. Even so, not everyone could or wanted to study at the university. The Commission expected that establishment of regional colleges would ensure that these students received adequate education. This has two possible interpretations as far as I can see. First, it can be seen as an attempt to arrange for consumption of education in a market-like manner and second, as a means of qualifying students for work. The latter is most in line with the argument of education as a means to economic growth. Accordingly, the welfare regime – and not the entrepreneurial regime – was also the most adequate description of national policy with regard to stance towards students.

**Treasury Tools**
The Government applied treasury tools according to the welfare regime in the form of tied grants. Financing higher education was, and still is, mainly a task for the state. Allocations were based on the number of entrance students, as decided by the Parliament. The non-university institutions mainly received tied grants for each individual college even when they had a common regional college board (St.meld. nr. 66 (1984-85)). Accordingly, the regional college boards had very little or no economic control of the colleges they were set to manage. Until 1986, the Government did not allow either universities or non-university institutions to make transfers between different budget line items – even if they had a deficit on one line item and a surplus on another (St.meld. nr. 19 (1986-87)).

**Authority Tools**
There were several laws that displayed the Government's use of authority tools. The University of Oslo had its separate acts (Ot.prp. nr. 26 (1955) and Ot.prp. nr. 63 (1973-74)) and a separate set of regulations during this period, as had the other three universities at the time. The Act on Examinations was the only common regulation (Ot.prp. nr. 50 (1969-1970)). These regulations were partly passed by the Parliament, the Ministry and the institutions themselves. This meant that the Collegium (Det Akademiske Kollegium) at the University of Oslo prepared its own changes in the existing act. The Ministry, however, had the power to make amendments before sending it on to the Parliament. One example is that in 1973-74 the Ministry, opposed to the suggestions from the University of Oslo, gave every board member equal voting rights and claimed
that senior lecturers (*daseud*), not only professors, were eligible candidates for rector (Ot.prp. nr. 63 (1973-74)).

When it came to appointment *authority*, the Government appointed professors and senior lecturers after proposals from the Collegium. Other appointments were made by the Collegium, normally according to recommendations from the faculty councils (Midgaard 1982). For the non-university institutions, the Ministry appointed senior lecturers and administrative leaders. All other appointments were delegated to the Regional College Board, rather than to the individual college, by the mid-1980s (St.meld. nr. 66 (1984-85)). These features demonstrate a mixture of the expert and the welfare regimes. As shown, the universities had, on the one hand, major authority to formulate legislation – hence the presence of the expert regime. On the other hand, national authorities applied *authority tools* that to a certain extent implied the use of detailed regulations.

One question was whether the regional colleges should be governed directly by the Ministry of Education or if there should be a Regional College Board in every county. In 1976, the latter option was chosen and an “administrative superstructure” was formed (Bleiklie, Høstaker & Vabo 2000). This was a joint governing board for all colleges in the region, both regional colleges and the former vocational colleges. According to the Ministry, the main argument for this system was to ensure contact with political bodies at the regional level. Nevertheless, the *authority* of these boards was, on the one hand, limited because professional, academic and administrative authority was to be found in the Ministry or in national expert councils (Kyvik 2002a). On the other hand, the individual colleges found that direct contact with the Ministry was more efficient in matters affecting their situation (Kyvik 2002b).

The Ministry had the *authority* to establish and discontinue study programmes. However, academic autonomy was emphasised with regard to the content of academic research and teaching. Vocational training, such as engineering, nursing and teaching, had to adapt to national framework curricula as decided by national expert councils. For this reason, the Ministry and national expert councils had a major say in the design of the goals and subjects of these study programmes. The welfare regime, with its detailed national regulations as a means of governing the higher education institutions, was a suitable description. However, other researchers have claimed that the national framework curricula result from the work and participation of academics representing their respective vocational community (Larsen and Norgård 2002). In this respect – at a national policy level – the use of national framework
curricula also expresses features of the bargaining regime, as negotiations constitute part of the policy process.

**Internal Organisation**

Decided by law at the national level, the overall system of internal organisation and management of the higher education institutions in this period may be described in terms of the three regimes: the expert, welfare and bargaining respectively. The University Act of 1955 showed features of the expert regime in the sense that collegial representation was based on positions held by the professors. However, the internal organisation of the University of Oslo underwent major changes from the mid-1950s to the mid-1970s (Midgaard 1982). In the second half of this period, the bargaining regime was, however, also relevant. This was due to the elections of internal representatives to various decision-making bodies. The University Act of 1975 pursued the three-level governance structure, i.e. Collegium, faculty and department. Elections and voting rights were introduced and academics, technical-administrative staff and students were to be represented at the three decision-making levels (Ot.prp. nr. 63 (1973-74)).

As discussed under authority, national regulations prescribed the institutions’ internal organisation: a regional college board was to be the uppermost decision-making body of all the colleges in one county. There were nine members of the regional college board, five of whom the Ministry appointed according to proposals from the county committee, and additionally two employees and finally two student representatives (St.meld. nr. 66 (1984-85)). The regional college board had the formal responsibility for assessing regional needs for education, coordinating and planning new study programmes and courses and revising the existing ones as well as deciding on their localisation, aims, etc. The board was also expected to justify their opinions before they sent their recommendation(s) to expert councils and/or the Ministry for approval. They were also responsible for preparation of budget proposals and long-term budgets for all activities. They had been delegated the authority to engage academic staff when criteria and requirements for qualification were clarified. The Ministry was still in charge of employing technical-administrative staff.

The internal organisation and management of the non-university institutions varied but can mainly be described by features of the welfare regime, with certain features of the bargaining regime. Some of the colleges within each region had adapted a university-like system that implied a dual system with
elected rectors and appointed directors. Yet other institutions, mostly vocational, had their rector appointed by the Ministry. Every regional college was obliged to have both a college board and a college council. During the period of regional colleges as pilot projects, the total number of council members varied among the colleges although the relative proportion of academic, technical-administrative employees and students was rather similar. The authority of the college council, a consultative body, was delegated from the board. Academics, technical-administrative staff and students were represented (St.meld. nr. 17 (1974-75)). Their main task was to draw up teaching guidelines, make suggestions for new study programmes, put forward budget proposals and be responsible for admissions and examinations. Establishing a faculty council was optional. If established, it was to consist of as many academics as students. Their main responsibility was to ensure study progression and to coordinate the activities of the faculty (St.meld. nr. 17 (1974-75)). The use of elections and the participation of internal stakeholders in consultative bodies point towards the bargaining regime. However, the extensive use of appointments, especially those made by the Ministry, showed that the welfare regime with its emphasis on governmental control was very important.

5.2.1. An Expansive Period

This period may be described mainly as adhering to the welfare regime even though there are features of the expert and bargaining regimes as well. As discussed, the expert regime was a relevant description of the policy concerning the universities, above exemplified by the University of Oslo. This was because, during the first half of this period, it was mainly professors – here internal stakeholders – who exercised voting influence by virtue of their almost exclusive right to sit in decision-making bodies, i.e. the system being that of a collegium of chair-holders. The professors were also the main internal stakeholders wielding political influence for instance with national authorities due to the possibilities the rector and the Collegium/University Board had to use informal channels to influence politicians and public administrators. The Collegium exercised political influence by conveying proposals and recommendations to the Government. They also entered into dialogue and negotiation with the Ministry on matters concerning their operation. All advisory bodies also exercised political influence due to a system based on the idea that decisions were to be made on recommendations from affected bodies.
The Regional College Boards acted as catalysts, having contact with regional and local governments. Furthermore, the boards were able to render the need for education visible in their region.

From the mid-1970s, characteristics of the bargaining regime are, however, also found in Norwegian policy. One reason for this was the general democratisation of workplaces, which also impinged upon higher education policy. As a result, elected representation became the main principle for filling the seats of the Collegium and of other university boards. Consequently, the voting influence of internal stakeholders other than the professors – all academics, students and technical staff – at universities increased. So far, the study has revealed that students exercised little stakeholder influence except as members of the Collegium or Regional College Boards.

The Regional College Boards were the only bodies with external representation. It thus represented a formal arena where external stakeholders – such as local and regional authorities and businesses – could affect higher education on a regular basis. The composition and seating of these boards do not entirely adhere to the bargaining regime. There was also an element of the welfare regime because the Ministry appointed the external members.

At the national level, the Government and the Parliament as external stakeholders exercised voting influence by virtue of passing laws and appointing the rectors of several of the non-university institutions as well as professors and senior lecturers to the universities. This applies to the entire first period. The Ministry was also an important external stakeholder having the formal and final say with regard to establishing or discontinuing study programmes and degrees.

The fact that the Ministry and national expert councils had actual influence at the expense of the Regional College Board points to a welfare regime at least in the non-university sector. The Government and the Parliament were the only external stakeholders who exercised economic influence beyond the preparation and passing of budgets. The treasury tools were even arranged in such a way that the national authorities had ensured stringent input control over how the higher education institutions could spend their allocations. This is in adherence with the welfare regime.

The universities and scientific colleges, then as external stakeholders, had a major say when it came to curricula, examinations and examiners at other higher education institutions. Research institutes as well as regional and local businesses exercised influence on the content of new study programmes at the non-university institutions. This is shown in the Ottosen Commission’s correspondence with for example the Norwegian School of Economics and
Business (NHH) concerning courses in business administration (Ottosenkomiteen 1965-70). It turned out that the work was not actually done by the institution (NHH) but some employees working as consultants for the Ministry where they drew up the curricula (Vollset and Aamodt 1972). Another example of external stakeholders who exercised political influence was the Institute of Transport Economics in Norway, regional transportation companies that cooperated with the Regional College in Molde in the development of a study programme in transport economics (St.meld. nr. 17 (1974-75)).

5.3. 1987-1997 A Welfare Regime with Entrepreneurial and Bargaining Features

In 1989, the total number of students in Norwegian higher education passed 100,000 students (Aamodt and Støle 2003). This expansive growth in the number of students continued and by 1995, the number reached 176,000. The number exceeded every previous estimate. As late as in 1991, the Government expected no more than 140,000-150,000 students by 1995 (St.meld. nr. 40 (1990-91)). Due to more restrictive admissions at the university colleges, the universities admitted a relatively larger part of the students. Furthermore, forms of instruction, which implied large lecture halls and much self-tuition made the universities more flexible with regard to increasing their capacity to admit more students (Aamodt and Støle 2003).

In 1987, the Hernes Commission was appointed by the Parliament. Its mandate was to evaluate the future objectives, priorities and organisation of higher education. The ensuing reform had administrative, economic and academic objectives such as rational operation, optimising resources, improving the conditions for academic development, and providing the opportunity for students to combine different subjects more freely. Furthermore, the Hernes Commission put the quality of teaching and learning in Norwegian higher education on the agenda (NOU 1988:28). They claimed that quality could be increased by restoring the full-time student and improving both how studies were organised and the teaching and learning situation.

The Commission again suggested a number of co-localisations and institutional mergers – ideas from the Ottosen Commission that were not met with approval some 20 years before. In 1994, this resulted in a merger that integrated the 98 institutions into 26 university colleges. Despite this reduction in the number of institutions, there was, however, no corresponding co-
localisation, which would have been politically unacceptable at both the regional and local levels. Accordingly, regional political arguments were still important in Norwegian higher education policy, cf. the study-centres recommended by the previous commission. A stronger regional integration of the study programmes was, however, one implication (Kyvik 2002b). In addition, decision-making power was decentralised from the Ministry of Education to the individual institution. At the same time, however, there was an extensive coordination and standardisation of higher education, especially vocational education (Kyvik 2002a). National expert councils administering national subject specific framework plans and curricula are illustrations of such standardisations.

Values

As in the first period, analysis of the second period shows features of several of the stakeholder regimes. The welfare regime is still the most conspicuous but analysis also reveals signs of the expert regime. Both cultural and utility values are pronounced in this period as well. On the one hand, education was expected to contribute to self-development and to create reflective and democratic citizens (St.meld. nr. 40 (1990-91)). These are all cultural values of the purpose of higher education – like the ones presented in the first period. On the other hand, the national authorities expressed utility values; education – or a general increase in knowledge – was supposed to secure national welfare. This conception of utility values is not that expected within an entrepreneurial regime but rather that of a welfare regime. It was a question of utility with regard to social benefits rather than based on market forces. Education as a social benefit was demonstrated when higher education was regarded as a means of creating a more equal society, or as the Government put it “a society based upon equity between people and fundamental equality in living conditions […]” (St.meld. nr. 40 (1990-91):13, my translation). Hence, national policy documents displayed a mixture of the expert and welfare regimes.

The Role of the State

Turning to the role of the state, official documents covering this period show examples of the state as a social planner – and are accordingly characteristic of the welfare regime. As stated in the introduction to this second period, as a result of the recommendations of the Hernes Commission the number of Norwegian colleges was reduced to almost a fourth of the original number. The regional colleges and the vocational colleges were merged into university
colleges in 1994. This may be regarded as an illustration of the Government’s willingness to (re-)design the educational map – as a way of actively steering higher education. The overall aims were to develop broader teaching communities, stronger administrative units and to achieve economic gains (Kyvik 1999).

Demands on Higher Education

In the report from the Hernes Commission, there was a more pronounced demand that the higher education institutions take on the responsibility for further and continuing education. The Commission stated

The production of knowledge implies that an increasingly larger part of the population has to take part in further and continuing education at an advanced level. Accordingly, we need to develop a flexible system for renewing the population’s qualifications [...] (NOU 1988:28:11, my translation).

Another demand was that higher education should be relevant for society, and this demand was perhaps even more accentuated than before because of the need for skilled labour (St.prp. nr. 1 (1994-1995)). The Government especially emphasised the demand that further education courses be developed in cooperation with the actors in business life.

Stance towards Students

When it comes to stance towards students, there were signs of a development because the importance of student participation replaced the view that the student’s main goal was to prepare for a career. Characteristics of the bargaining regime hence became manifest. The development was catalysed by the discussion prior to the law changes in the mid-1970s. However, the arguments became more generally pronounced and evident during the 1980s. Students were regarded as participants even to a greater degree than earlier and they had the right to have representatives in every decision-making body (St.meld. nr. 40 (1990-91)). Accordingly, it was not so much their participation in knowledge production that the authorities emphasised. It was rather their abilities as democratic citizens or as stated in the White Paper succeeding the Hernes Commission Report:

The system of education in a society has to create authoritative and critical citizens who are capable of taking active part in democratic activities and organisational work and who can be qualified participants in working life (St.meld. nr. 40 (1990-91):12, my translation).
Treasury Tools

As in the previous period, the treasury tools used were still allocations based on the number of entrance students. However, the White Paper succeeding the Hernes Commission stated, “In the future, the Ministry intends to call attention to management by results and objectives” (St.meld. nr. 40 (1990-91):55, my translation). Accordingly, the Government emphasised the production of examinations, student credits, and publications; they introduced the use of economic incentives (Bleiklie 2000, St.meld. nr. 40 (1990-91)). These examples of performance-based allocations are characteristics of the entrepreneurial regime. There seem, however, to be few explicit requirements as to how to report the results and the main principle for funding remained that of the welfare regime. Furthermore, regulatory management was extensive (Larsen and Norgård 2002).

Authority Tools

During this second period, the main principles of authority tools hardly changed despite the fact that the Parliament passed two new higher education acts. Detailed regulations remained the main steering principle and are thus an example of the welfare regime. With the University and Scientific College Act of 1989, every university and scientific college was for the first time regulated by the same law. One main change from previous regulations was that the law granted the Collegium appointment authority for professors, senior lecturers and the director (Ot.prp. nr. 62 (1988-89)).

The law was, however, in force for only a few years. As a continuation of the reform work in the early 1990s, all higher education institutions were for the first time united within a common legal framework, the Act of 1995, relating to Universities and University Colleges. National authorities delegated more decision-making authority to the higher education institutions, especially the university colleges – at the expense of the Ministry. The University College Board had been delegated appointment authority for academics at the non-university institutions. The board, whether at the university or the university college, was to draw up strategies for educational and research activities. It was also responsible for economic and financial management.

The Ministry still had the authority to establish and discontinue study programmes even though regional priorities were important. The main argument was that national interests had precedence and accordingly were the

---

16 The fact that a separate law no longer governed the activities of the University of Oslo is further discussed along with internal organisation and in Chapter Six.
responsibility of the Ministry. This was underlined by the following claim “all of today’s study programmes cannot be offered everywhere” (St.meld. nr. 40 (1990-91):37, my translation). To achieve this aim the Government set up Network Norway in 1994 – adopting a term launched by the Hernes Commission in 1988. Members came from both private and public higher education institutions, students and societal representatives were appointed on an independent basis (Bernt 2000). It was an integrated network for higher education organised direct under the Ministry. As a national supportive institution for higher education, the purpose of Network Norway was to promote specialisation, cooperation and communication. The main idea was to reduce duplication between institutions. Two main principles for their work were underlined: first, to assign the responsibility for specialised subjects to individual institutions within the network, i.e. Network Norway Centres of Excellence, and second to expand the cooperation between the institutions (NOU 1988:28, St.meld. nr. 40 (1990-91)). According to Vabø and Aamodt (2005), Network Norway was little more than a catchword even though a number of institutions were given status as Network Norway Centres of Excellence.

In sum, these were all rather detailed regulations, leaving little room for freedom of choice despite the fact that the Ministry delegated some authority to the institutions. This indicates that the welfare regime is a suitable description of the orientation of the authority tools that were in use.

Internal Organisation

The Act of 1989 also regulated the internal organisation of the higher education institutions. The institution was still to be governed by a University Board or Collegium. In order to increase efficiency, the law introduced a reduction of the size of the Collegium at the University of Oslo. However, as previously, academics, technical-administrative staff and students were represented. The Act of 1989 made the Council compulsory as a consultative body where the same groups were represented as in the Board. Later, the Ministry pointed out that

Councils have been appointed to advise the board on issues concerning central aspects of the institution’s activity. The aim is to maintain the academic breadth, versatility and broad representation found in the compositions of the earlier boards (Ot.prp. nr. 85 (1993-94):46, my translation).
For the university colleges, the Act of 1995 introduced an internal organisation system that was in accordance with the university model (Bleiklie, Hostaker & Vabø 2000). The University College Board replaced the Regional College Board as the uppermost decision-making body at the non-universities. While the law was being prepared, the composition of the board was heavily debated. The question was whether, as previously, the external members should hold the majority. The basic principle finally adopted was that either academics alone or academics and students together could hold the majority (Bernt 2000). Accordingly, for the first time, external stakeholders lost their majority in the University College Board. The Ministry continued to appoint external board members based on recommendations from the institution and the relevant county council.

Furthermore, the university model implied elected internal board members and academic leaders not only at the institutional level but also at the faculty and department levels even at non-university institutions. The leadership at all levels was dual in the sense that there were administrative leaders in addition to the elected academic leaders, neither superior to the other. The fact that all groups of internal stakeholders are represented in decision-making bodies and the use of elections for employing academic leaders are examples of a bargaining regime. At the same time as decision-making authority was delegated from the Ministry to the institutions, administrative units at the central level expanded and leadership functions were strengthened. The administration was given more responsibility for strategic planning and budgeting than for academic support. All together, this implied more managerialism but it did not necessarily change power relations (Bleiklie 1998).

The law of 1995 also continued the system with a council for the universities and this was even extended to apply to the newly merged university colleges as well. However, institutions could be exempted from this by the Ministry given that they could prove that a body existed where all departments were represented (Bernt 2000). For the first time the University Board/Collegium was obliged to have external representation. The Ministry appointed these members based on the advice of the higher education institutions.

This examination of the internal organisation of higher education institutions has revealed features from the bargaining, based on the use of representation and elections. Despite the Ministry’s appointment authority for external board members, governance was less invasive in the cases of teaching and research, and the use of participation was extensive in institutional governing and
consultative bodies not only for the universities but also for the university colleges.

Assessment

In the second half of this period, the Government introduced new forms of assessment in the higher education sector, i.e. management by objectives. Result-oriented planning (ROP) became mandatory for every higher education institution in 1990 – as it was for every other public agency. According to the Ministry, ROP was “an important management tool for learning in organisations” (St.meld. nr. 40 (1990-91):57, my translation). Plan documents were supposed to create a system that made it possible for the organisation to assess their own results and to make improvements. Accordingly, ROP represented ideas about how to make systematic evaluations of efficiency and quality in higher education. As a result, the assessment of higher education institutions became more output oriented; cf. also the discussion on treasury tools and performance measures above. These are all features of an emerging entrepreneurial regime as described in Chapter Two.

5.3.1. A Modernisation Process Begins

During the second period, there seems to be a trend where the influence of the internal stakeholders has increased due to the delegation of authority, an expansion of representation and elections to boards at different levels. This stems from a transition where characteristics of the bargaining regime have replaced some of those of the welfare regime. However, these differences have been more noticeable in regulations concerning the non-university institutions than those concerning the universities. As the examination of the first period revealed, the universities had already undergone a development where characteristics of the bargaining regime replaced characteristics of the expert regime. Furthermore, the Ministry introduced the use of performance indicators and imposed external representation on the University Board/Collegium. These are both illustrations of the emerging entrepreneurial regime. Thus, one may claim that the influence of external stakeholders has increased accordingly as well.

The Government and the Parliament – still the most important external stakeholders – exercised voting influence as the executive and legislative power, respectively. However, the Ministry’s voting influence was somewhat reduced. This was due to the delegation of appointment authority to the institutions
during this period. There were no changes when it came to the Ministry’s authority to establish and discontinue study programmes and degrees. Even though the Network Norway was reduced to a catchword, it had a formal responsibility as an advisory body to the Ministry in cases such as the division of work between the institutions and the guarantor of the quality of their academic activity.

External representation at the board level underwent important changes during this period. At the non-university institutions, the external members no longer held the majority after 1995. At the university boards, however, external stakeholders appointed by the Ministry were represented for the first time, thus exercising voting influence. As a result of the reduction of the size of the Collegium, fewer representatives exercised voting influence, whether they were from the academic staff, technical-administrative personnel or students. Furthermore, the university colleges started to elect their internal board members. The Ministry still appointed the external members. Economic influence remained in the same hands as in the previous period, i.e. the Government and the Parliament.

Since 1995, both the voting and political influence of the internal stakeholders seems to have increased. The establishment of a Council at every non-university institution implied an additional arena for employees – both academics and technical-administrative staff – and students. For the university colleges the increase in the voting influence of internal stakeholders may be even more significant. One example is the introduction of elected academic leaders at every decision-making level. Administrative functions and structures were strengthened and authority delegated from the Ministry to the administration. This indicates that the administrators gained the opportunity to exercise more political influence.

5.4. 1998-2006 The Entrepreneurial Regime with Traces of the Welfare and Bargaining Regimes

Compared to the previous period, the number of students at the universities, on the one hand, flattened out and the number stabilized at about 80,000. The university colleges, on the other hand, experienced an increase in the number of students. By 2001, the total number of students in Norwegian higher education was about 200,000. However, several higher education institutions experienced difficulties in attracting a satisfactory number of students despite the fact that the total number of students had increased on the national scale (Aamodt and
Accordingly, a sense of competition between the higher education institutions grew. From 2002 onwards, the number of students stabilized at about 210,000 (Raabe 2007).

In 1998, the Mjøs Commission was appointed by the Parliament, only ten years after the Hernes Commission. Apart from the fact that the institutions had argued for more autonomy, there had not been much debate prior to the appointment. However, when the Commission handed over its report, followed by the White Paper, questions such as funding, the affiliation between state institutions and state authorities, quality and internal organisation, were heatedly discussed both within the higher education institutions, in the media and in the Parliament.

The Commission’s mandate was broadly set: to give an overall presentation and evaluation of the higher education institutions. This included an evaluation of relations between higher education and working life as well as the need for changes to meet the needs of students, society and business and industry. International trends, such as OECD reports and Norway’s role in an international market for competence, were also emphasised. The commission report suggested a new degree structure, which was one of the main reasons for appointing a new commission shortly after the reforms implemented as a result of the Hernes Commission. The aim of revising the degree structure was to make the study programmes more efficient (NOU 2000:14).

The Quality Reform, the White Paper succeeding the commission’s report, may be described not only as a management reform but also as a study reform. Along with the Bologna Process, a new degree structure was adopted, i.e. bachelor, master and PhD. The implication is that a three-year study programme in vocational training, e.g. social work, is given the status of bachelor programme. Furthermore, new teaching methods involving student activity and assessment that include regular feedback were introduced. Underlying this are the overall objectives of increased quality and efficiency (St.meld. nr. 27 (2000-01)). Norwegian policy documents emphasise, for example, relevance to business when it comes to quality in teaching and research (Ot.prp. nr. 79 (2003-2004)). Internationalisation, both in terms of student and academic mobility and as courses taught in English, is another important aim of this latest reform.

In 2002, the Ryssdal Commission was appointed by the Parliament. The Commission was given the mandate to prepare a joint law for public and private higher education institutions. Evaluation of the relationship between the state and the higher education institutions with regard to institutional autonomy
and academic freedom was another task as well as looking into law regulations vs. other governance tools such as agreements, budget provisions, etc.

Not surprisingly, this third period, like the previous ones, shows features of more than one stakeholder regime. The entrepreneurial regime has become considerably more prominent than before. However, features of the bargaining and welfare regimes are also found, especially as part of internal organisation and authority respectively.

Values
Higher education institutions should still serve multiple purposes, encompassing both cultural and utility values. In 2001, the Government underlined that modern societies are knowledge societies based on research and education. According to the Government “Five concepts will form the hallmark of our knowledge society: flexibility, equity, intensity, creativity and quality [...]” (St.meld. nr. 27 (2000-01):11, my translation). Quality was to be the most important. Flexibility for instance, referred to the idea of the institutions being flexible in relation to society’s needs in terms of education and research – institutions must be able to restructure their study programmes and research activities. This means, on the one hand, that the purpose of higher education institutions is to contribute to self-development, preserve, renew and disseminate knowledge and the cultural heritage (St.meld. nr. 27 (2000-01)). On the other hand, it is a question of educating people according to the needs of business and industry, public administration, the welfare sector, etc. This mixture of cultural and utility values is here interpreted as an expression of the entrepreneurial regime. Unlike the previous period, the utility values were not as specifically related to economic growth. The Government now emphasised the significance of human capital and knowledge as the most important resource (St.meld. nr. 27 (2000-01)).

Role of the State
The role of the state in this period may be understood as that of an organiser and supervisor – hence a more withdrawn role than during the previous period. This is in accordance with what is above described as the entrepreneurial regime. Governmental documents underlined that the state’s direct control of higher education institutions ought to be more limited and its role more that of defining the overall framework rather than steering the institutions in detail (St.meld. nr. 27 (2000-01), NOU 2003:25). This attitude is especially observable in the study of the treasury and authority tools discussed below.
One other example of how the Government regarded the changing rule of the state during the early 2000s was the discussion of the relationship between the state and the institution. The ambition was to turn higher education institutions into state-owned, independent foundations – a question heatedly discussed in the wake of the Quality Reform. The Ryssdal Commission discussed two main options; the higher education institutions could be organised as separate legal entities pursuant to special statutes, i.e. independent foundations, or as administrative agencies with special and extended power. The main argument for organising the institutions as state-owned enterprises was that extended power would give them the freedom to steer and control, and increase their responsibility for the institution in question (St.meld. nr. 27 (2000-01), NOU 2003:25). A minority of the Ryssdal Commission suggested the latter option, which was also supported by nearly every public consultative body. The independent foundation model was regarded as correspondingly controversial especially by the higher education institutions themselves. The Ministry held on to the administrative agency model and it came into force with the latest act revision in 2005. The example shows that the higher education institutions were not prepared to accept the degree of withdrawal of the state that the state-owned independent foundation would have represented.

Demands on Higher Education

During this period, the demands on higher education institutions took a somewhat new direction – or more precisely the Government highlighted some different aspects of working life needs. The universities and university colleges may be described as service institutions as they are supposed to meet demands from the market. As a consequence of rapid changes, working life is in need of new competence and knowledge. The higher education institutions are supposed to respond effectively to these changes not only regarding the content in the existing study programmes but also by considering the need for different study programmes (St.meld. nr. 27 (2000-01)). The idea of the institutions delivering services is one of the features described in the entrepreneurial regime.

Stance towards Students

National policy regarding the stance towards students moved in the direction of that of consumers and customers, also a feature of the entrepreneurial regime. Quality is often referred to as part of the increased rights of the students. As student grants and loans were increased, greater emphasis was put on the students’ obligations to follow ordinary progression and complete their studies.
in time. Service declarations outlining the rights and obligations of the students and the institutions have become mandatory. According to the Ministry,

The requirements and obligations that students must fulfil in relation to the institution must be clearly stated before they start their studies as well as under way. Likewise, what the student can require and demand from the institution and its personnel must also be clear to all parties (St.meld. nr. 27 (2000-01):29, my translation).

Furthermore, students are supposed to take part in course evaluations and their needs are to be taken into account to a greater extent than before (St.meld. nr. 27 (2000-01)). Students are still represented in and eligible as members of the same decision-making bodies as in the previous period. Accordingly, the bargaining regime is also an adequate description although its characteristics are not emphasised to the same extent.

_Treasury Tools_

In the early 2000s, the treasury tools changed and assumed more features of the entrepreneurial regime than they had before. The Government stated that higher education institutions would receive block grants that enabled them to fulfil their task in the knowledge society. The Ministry claimed that funding through block grants would give political control of the institutions’ total use of resources (St.meld. nr. 27 (2000-01)). New funding principles were however introduced as of 2002 (St.prp. nr. 1 (2001-2002)). They implied more use of performance indicators than earlier. The grants had three components: a basic component (approx. 60 % of the total allocation), an educational component, i.e. the number of student credits produced, the number of graduates and the number of international exchange students (approx. 25 %) and finally a research component consisting of performance allocation and strategic allocation (approx. 15 %). Fluctuations in basic allocations are mainly due to changes in level of activity, i.e. the number of entrance students (St.meld. nr. 27 (2000-01)). There is no absolute allocation limit for the education component and the institutions can influence their income accordingly by e.g. increasing the produced credits. Allocations based on performance indicators related to research are, however, restricted. Consequently, even an increase in the number of publications may not result in more funding if other institutions have had a relatively larger increase. Arguments for using such performance indicators were to give the institutions incentives to focus on quality and efficiency. Institutions experiencing a reduced number of applicants should be encouraged
to establish new study programmes or rearrange their capacity (St.meld. nr. 27 (2000-01)). Both block grants and the use of performance indicators are governing tools associated with the entrepreneurial regime.

**Authority Tools**

A final revision of the Act of 1995, relating to Universities and University Colleges came into force in August 2005. Many revisions had been made in 2002, such as making the department level optional\(^\text{17}\) and establishing an independent government agency, the Norwegian Agency for Quality Assurance in Education (NOKUT) (Ot.prp. nr. 40 (2001-2002)). NOKUT was established to accredit Norwegian higher education institutions and/or study programmes. The section on *assessment* below discusses the agency’s responsibility for authorisation and other tasks.

It is maintained that the university college institutions have gained *authority* in several fields, e.g. they could now establish new study programmes at the bachelor level without approval from either the Ministry or NOKUT (Innst. S. nr. 337 (2000-2001)). NOKUT, however, has the *authority* to monitor the higher education institutions’ adherence to academic standards. For the university colleges master degrees have to be accredited by NOKUT and not, as previously, by the Ministry. The Government still uses national framework curricula to control the various vocational training programmes. By the academic year 2002-2003, institutions accredited as universities had the *authority* to decide which disciplines and topics to offer in their study programmes (Bernt 2006). As shown, the Government and the Ministry delegated more authority – and thereby reduced some of their overall national control – to the advantage of the higher education institutions. More attention was now given to control through the design of frameworks for the institutions’ activities rather than in the form of detailed regulations as before. This indicates that the characteristics of the welfare regime have been weakened while those of the entrepreneurial regime have been strengthened.

**Internal Organisation**

As before, national authorities still regulate the institutions’ *internal organisation* by law. However, the latest Act on Universities and Colleges of 2005, some amendments in the Act of 1995 made in 2002 (Ot.prp. nr. 40 (2001-2002)) and the Quality Reform (St.meld. nr. 27 (2000-2001)) made the institutional management structure more flexible. As described in the Act of 1995, the board

\(^{17}\) For further discussion, see the paragraph below on *internal organisation.*
is still responsible for strategic, i.e. educational, research and other, activities. From 2002 onwards, the board decides on the *internal organisation* of academic activity at all levels, i.e.

> whether or not one wants to build upon the hierarchical three level model which the law previously made compulsory, with faculties and departments as the intermediary in the communication between the board and the basic units (Bernt 2006:162, my translation).

What is new in the Act of 2005 is that the board must decide on issues concerning objectives and results. This is a typical feature of the entrepreneurial regime. Discussions concerning the composition of the board continued cf. the discussion prior to the Act of 1995. Since 2002, the basic principle is that none of the groups represented; academics, technical-administrative staff, students and external members, are to hold a majority alone. At the same time, the higher education institutions were given the option of either electing or appointing their leaders, i.e. rector, deans and heads of department. If the rector is appointed, one of the external members is designated chairperson by the Ministry. Now, the individual institution can also decide whether or not to have a pro-rector, and if so, whether to elect or appoint him/her. External candidates are also eligible or appointable according to the law. However, the board may prescribe further principles for the nomination. According to the Act of 2005, an elected rector is chairperson of the board. There were also several alternatives when it came to the composition of the faculty boards. Each institution can decide whether there should be any non-institutional members, any representatives from the technical staff, and so on – assuming that the institution chooses to have faculty boards at all. Summing up the *internal management* structure, it has features of both the bargaining and the entrepreneurial regimes. On the one hand, as in the previous periods, an important element is electing representative members to decision-making bodies. On the other hand, the Government has emphasised the opportunity to appoint leaders and the increased degree of institutional freedom of choice. Furthermore, the principle of appointed external members to the boards is preserved.

The Government formally ended the system of internal councils in 2001. Several university colleges had however already discontinued their councils during the 1990s. The reason given by the Ministry was that the collegium or the institutional board ought to decide what bodies to establish, what kind of
authority to delegate and to what extent they would delegate (Innst. S. nr. 337 (2000-2001)).

Assessment

During this third period, the Government also made some amendments in the way the assessment of Norwegian higher education institutions was carried out. This was done at the same time as the authorities also continued to use output control with extensive reporting on goal achievement (St.prp. nr. 1 (2005-2006)). The next paragraph focuses on what was transformed.

The Network Norway – cf. the review of the second period – was discontinued at the end of 2001. Its main activities were related to system and methodology evaluation and quality assessment in higher education as well as the distribution of disciplines and study programmes between higher education institutions. Some critics have pointed out that the Network’s short history may be an indication of a rather unstable steering situation (Karlsen 2002). However, as mentioned above, the Government established a new body for quality assessment: the Norwegian Agency for Quality Assurance in Education (NOKUT). It became operative in January 2003. Its aim is to monitor and secure the quality of higher education. This is done through evaluation, accreditation and approval of higher education institutions and study programmes at the master level, and in some cases the doctoral level at university colleges. It also evaluates the system of quality assurance at every higher education institution. The King in Council appoints the board. There are nine members, one student, one employee representative and members described as having relevant competence as well as legitimacy both in the higher education sector and the rest of the society (Bernt 2006, Ot.prp. nr. 40 (2001-2002)). NOKUT was, and still is designed as an instrument of input control rather than of output control – despite the de-regulative form of governance. Furthermore, peer review is used as the main method for external quality oversight (Stensaker 2006). Accordingly, this represents a characteristic of the expert regime. The fact that both the system and the agency are state-initiated implies that features of the welfare regime are also present.

5.4.1. The Modernisation Process Continues

Compared to the two previous periods, the development of the third is described more in terms of an entrepreneurial regime, which implies more
decentralised governance. However, there are also some features of the welfare and bargaining regimes.

The Government and the Parliament maintained their voting influence as before by passing laws and deciding the principles for the use of performance indicators. On the other hand, the Ministry as an external stakeholder has lost some of its voting influence to the advantage of the internal stakeholders. The university colleges gained some formal decision authority during this period, e.g. by virtue of having the right to establish and discontinue study programmes at the bachelor level. The formal authority of the board, i.e. the University Board18 or the University College Board, has been extended during this period. The Government intended that the boards, as the head governing bodies of the institutions, were to be given more autonomy through the introduction of management by objectives and results (MbOR) – a performance based management tool. The boards are also supposed to adopt a more strategic role than before. Other studies support this (Bleiklie, Ringkjøb & Østergren 2006, Larsen 2003). The board has also been given the authority to decide on the internal management structure, i.e. elected or appointed rector and deans, collegial decision-making bodies at the sublevels, etc. However, for the staff, i.e. academics and technical-administrative, as well as the students, some voting influence has been lost, since the faculty board has been made optional. The picture becomes even more complex when one looks at other options prescribed by the law. For example, external stakeholders can participate in formal decisions at the faculty level if the institution chooses to include them in any kind of decision-making body.

During this last period, there is a slight change in the actors who exercised economic influence. The students may be interpreted as having gained more economic influence, at least rhetorically. As shown above, the educational component represents 25% of the allocations. Even previously, the number of graduates was an important basis for allocations, but they are even more in focus today. Additionally, they are largely regarded as customers and clients. However, the Government and the Parliament remained the most important external stakeholders who hold economic influence given that the main source of funding is still public.

Network Norway, as an advisory body to the Ministry responsible for evaluation and assessment in higher education, was in a position to exercise voting influence, cf. the previous period. The fact that it only existed for four to five years, may indicate that it did not function according to desired objectives.

18 In 2003, the Collegium at the University of Oslo changed its name to the University Board.
NOKUT, which was not an advisory body to the Ministry, but independent, took over some tasks from Network Norway. NOKUT, as an independent state-initiated body and external stakeholder, exercises formal decision authority – voting influence – on the higher education institutions. This is due to its task of accrediting higher education institutions and study programmes. Through their work with quality assessment and accreditation, NOKUT may exercise political influence by implementing and interpreting requirements stated in current regulations.

Because the system of internal advisory bodies like the Council was abolished, academics lost one arena where they could exercise political influence within the institution. The fact that the faculty boards are optional can possibly reinforce this effect as long as no other arenas are established at a lower level. In contrast, the requirement that course evaluations be implemented may be interpreted as giving the students a new arena for exercising political influence.

5.5. Summary of Chapter Five

Figure 5.1 below shows a summary of the previous discussion on changes in different stakeholders’ influence, whether voting, economic or political. The findings show, not surprisingly, that there has been a movement in the direction of an entrepreneurial regime in Norwegian higher education during the period from 1965 to the mid-1990s. However, many characteristics of the welfare regime were still found in the late 1990s, as well as several characteristics of the bargaining regime. In this respect, the analysis of policy shows that the number of actors formally capable of exercising influence is larger than would be expected within a pure welfare regime. No governance model is supposed to be exclusive, e.g. from the perspective of public policy. Thus, different combinations are likely. The discussion in the next two chapters will focus on institutional practice at the University of Oslo and the present Telemark University College including its former (pre-merger) institutions.
### Voting Influence (Formal Decision Authority)

<table>
<thead>
<tr>
<th>Period</th>
<th>The Government</th>
<th>The Parliament</th>
<th>The Ministry</th>
<th>HE Institutions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965-1986</td>
<td></td>
<td></td>
<td></td>
<td>the Collegium;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Until mid-1970s:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>professors,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>After mid-1970s:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>elected academics,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>technical-adm. and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>students</td>
</tr>
<tr>
<td></td>
<td>Rector elected at universities, appointed at non-university institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Regional College Board; external representatives, academics, technical-adm. and students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>All appointed</td>
<td></td>
<td></td>
<td>Expert councils</td>
</tr>
</tbody>
</table>

- **Until mid-1970s:** professors,
- **After mid-1970s:** elected academics, technical-adm. and students
- Rector elected at universities, appointed at non-university institutions
- Regional College Board; external representatives, academics, technical-adm. and students
- All appointed
- Expert councils

#### 1987-1997

<table>
<thead>
<tr>
<th>Period</th>
<th>The Government</th>
<th>The Parliament</th>
<th>The Ministry</th>
<th>HE Institutions:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>the Collegium/</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>University: elected</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>internal + appointed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>external representatives</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(from 1995), students</td>
</tr>
<tr>
<td></td>
<td>Rector, elected at universities, at university colleges: elected or appointed before mid-1994, elected as of mid-1994,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>College Board: elected internal + appointed external representatives, students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Collegial faculty and department boards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dual leadership: Elected academic leaders at every decision-making level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expert councils</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Rector, elected or appointed
- Faculty and department boards if set up. Its composition may vary
- Deans, elected or appointed
- Expert Councils
- Network Norway Council
- NOKUT

#### 1998-2006

<table>
<thead>
<tr>
<th>Period</th>
<th>The Government</th>
<th>The Parliament</th>
<th>The Ministry</th>
<th>HE Institutions:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>the University/</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>University College Board: elected internal</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+ appointed external</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>representatives,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>students</td>
</tr>
<tr>
<td></td>
<td>Rector, elected or appointed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Faculty and department boards if set up. Its composition may vary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deans, elected or appointed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expert Councils</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Network Norway Council</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NOKUT</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Economic Influence

<table>
<thead>
<tr>
<th>Period</th>
<th>The Government</th>
<th>The Parliament</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- The Ministry
- The Collegium/Regional College Board
- The Council
- Other institutions
- Research institutes
- Regional enterprises
- Students

### Political Influence

<table>
<thead>
<tr>
<th>Period</th>
<th>The Ministry</th>
<th>The University</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- The Ministry
- The University Board/the University College Board
- Administrative staff/leaders
- Network Norway
- The Confederation of Norwegian enterprise
- Students

---

**Figure 5.1 National higher education policy: Stakeholder influence between 1965 and 2006.**
Chapter Six

Stakeholder Influence at the University of Oslo

6.1 Introduction

The aim of this chapter and the next is to answer the first research question, i.e. which norms and structures for stakeholder influence in higher education policy and practice in two cases have developed over time? The practice at the University of Oslo from 1965 to 2006 is the focus of this chapter. I review the events of the three sub-periods, 1965-1986, 1987-1997 and 1998-2006, following the norms and structures of the stakeholder regimes as outlined in Chapter Two. The presentation describes the legacy of stakeholder influence in higher education practice and a discussion of what I interpret as potentially critical junctures affecting the practice of stakeholder influence at the University of Oslo. I investigate whether the stakeholder regimes look different over time. Given that they do, the next question is why, and this will be the subject of Chapter Eight.

The University of Oslo is the oldest Norwegian university – it will celebrate its 200th anniversary in 2011 – and claims to be the higher education institution in Norway most rich in tradition. Today, the University consists of eight faculties – including some vocational study programmes such as Medicine, Law, Dentistry, in addition to Education, Social Sciences, Humanities, Theology and Mathematics and Natural Sciences. Of these, the Faculty of Theology is the oldest and Education the youngest – established in 1996. The highest authority of the University is the academic Collegium (Collegium academicum) or the University Board. In the following, the term Collegium is used until 2003 when it formally changed its name to the University Board.


As discussed in Chapter Five, the Ottosen Commission proposed an expansion of alternatives to university education – a proposal to which the University of Oslo agreed to a certain extent. The Collegium was, however, not convinced that the establishment of regional colleges was the best solution to the capacity problems they were experiencing. Nevertheless, they approved of the pilot-projects as a valuable contribution in clarifying whether some teaching could be transferred from the universities to the regional colleges. The Collegium also
emphasised that one needed to investigate whether or not Norway’s four fully expanded universities were “sufficient to meet expected societal needs, and if they were whether it might not be such a good idea to spread the teaching resources to the regional colleges” (Collegium minutes 6867/67, my translation). This statement and the Ottosen Commission’s proposal can be seen in relation to the capacity problems higher education was facing in the 1960s. The University of Oslo experienced great expansion in both the number of entrance students and new buildings during this first period to be analysed. From 1965 to 1986, the number of students rose from 11,740 to 19,350 (Vabo and Aamodt 2005 and Annual Report 1986). Public allocations did not keep up with the expenses and in the mid-1980s the situation was described as a resource crisis (Olsen 1987).

This period is also characterised by a major democratisation process carried out in the University in the 1970s. Critical events as the expansion of student numbers and the student rebellion as well as the more general workplace democratisation called for more representative decision-making processes within the University. In the last part of this first period, the modernisation of the Norwegian public sector started. This also affected the higher education sector in general and the University of Oslo in particular, and this is illustrated by the introduction of ideas such as result-oriented planning.

**Values**

Early on, the University of Oslo emphasised the *cultural values* of education, research and knowledge, in line with the expert regime, i.e. a collegium of chair-holders. The Act of 1955 relating to the University of Oslo and valid in the first half of this first period, introduced a preamble for the University for the first time. The first article stated that the University’s purpose was to carry out academic training and scientific research. Furthermore, when possible, the University was to make scientific results known to the general public (Ot.prp. nr. 26 (1955)). A point was made that research aimed to be independent and outstanding, and this was underlined by the rector, who argued in his inaugural speech that

The universities’ distinctive feature – among societal institutions – is that they are the domicile for free research. The quality of the research performed […], is what gives a university status among other universities (Annual Report 1970:21, my translation).
The University’s consultative statements in response to the report from the Ottosen Commission further underlined the cultural values characteristic of the expert regime discussed above. The academics, i.e. the professors, opposed what they saw as arguments regarding the universities as production units subject to efficiency requirements. The proposal of organised doctoral education was especially controversial given the university's traditions. One reason for this was that the research process was not supposed to be controlled by economic considerations (Collett 1999). However, the suggested national expansion of undergraduate education, even in traditional university disciplines at a basic level, i.e. regional colleges, was regarded as necessary to deal with the great student influx at the time. The professors, as internal stakeholders, exercised political influence by using their status within the university system to present specific ideas about the University concerning its academic training and research. There was little room for external stakeholders to influence these values. Accordingly, there was little or no risk involved since no one from the outside had the authority to challenge what the professors defined as academic or as the values of the University.

Responses to Demands on Higher Education
The University’s response to outside demands was that they were already relevant to society as a whole according to the expert regime. But at the same time, some faculties were more preoccupied with fulfilling public policy, for instance the full employment objective, and were hence in line with the welfare regime. Additionally, we find examples of the entrepreneurial regime. The following sections will present illustrations of each of these responses to demands on higher education more in depth, starting with examples of the expert regime.

In the early 1970s, the university leaders declared a growing concern for students’ future employment prospects – and with the public policy of full employment. However, the Faculty of Humanities was reluctant to take students’ employability into account but rather focused on serving the society as a whole, thereby demonstrating a feature of the expert regime. Students in the Humanities were especially vulnerable to unemployment after graduation. First, a prognosis estimated an overproduction of candidates in traditional fields, i.e. teaching. Second, making the situation even more protrusive, an internal committee report showed that the specialised qualifications of Humanities students were not those primarily requested by employers outside the educational system (Annual Reports 1976 and 1977). Despite several

---
19 The report is reviewed in Chapter Five.
suggestions, few changes were actually realised within the next years except for
the introduction of small didactic components in the basic courses. All the
stakeholders were internal – even those who suggested that the employability of
the Humanities students ought to be reconsidered. In an attempt to preserve
the status quo, internal stakeholders, i.e. academics at the Faculty of
Humanities, exercised both voting and political influence to oppose changes.

The following example illustrates the practice of the University of Oslo in
responding to *demands* according to the welfare regime where the main idea was
to implement the public policy objective of economic growth. In the early
1970s, the Ministry of Education called for an overview of studies in petroleum
geology at the time. As a result, the Government added supplementary
allocations for educational measures in relation to petroleum activity so that
existing sub-disciplines could be expanded and new ones developed over the
next years (Annual Report 1971 and Memo 25/79). The University later
established a study programme in petroleum geology and geophysics. The
University’s practice is understood as implementing public policy and thus as an
illustration of the welfare regime. The Government clearly demonstrated its
economic influence by earmarking the supplementary allocation for a specific
activity. The Government also employed voting influence to force the
University of Oslo – as well as other higher education institutions – to
concentrate on a specific academic discipline. If the University had not
cooperated with the Government they would not risk seeing the allocations
divided amongst the other higher education institutions – leaving the University
empty handed. The Collegium, i.e. the professors, exercised voting influence to
reallocate the funding internally, though within the scope of political objectives.

The University experienced a growth in externally financed activities, here
illustrated by contract research that gave external stakeholders, of both
governmental and non-governmental origin access to economic influence. The
question of contract research was raised as early as in 1973. The director
claimed that the University ought to be prepared to take on more assignments
and that “the contract sum would be a welcome and necessary supplement to
scarce research funding” (Memo 54/73, my translation). It was, however, the
Ministries – and not private actors – who were assumed to be most interested
in the services of the University. Externally financed activities had an increasing
importance during the 1970s and 1980s and amounted to NOK 100 million in
1985 (Memo 96/81 and Annual Report 1985). When the institutions
experienced budget restrictions, externally financed activities financed the
positions of several visiting professors and even a number of endowed
professorial chairs20 (Memos 30/80, 19/83 and 7/84). Here, the University demonstrated a practice that had elements of the entrepreneurial regime. However, profit was not in focus even though the idea of regarding research as a service was – both characteristics expected to be present in this regime. Actual practice at this time however cannot be described as emulating a pure entrepreneurial regime. Public authorities – as the most important employer – exercised economic influence which was reinforced by the fact that the University as a public institution was and still is dependent on public funding. This way the University regarded research as a service suggested an entrepreneurial regime. The University, however, did not attempt to adapt research to any external demand; employers were expected to choose among on-going, established projects. Accordingly, the academics retained their political influence on research matters. Cooperation was not considered a threat but rather an opportunity that offered slightly more room for manoeuvre. This seems also to have been the case for the endowed professorships.

The University not only got involved in externally financed activities, but also established an innovation centre as a response to demands on higher education – displaying a practice where a mixture of elements from both the welfare and the entrepreneurial regime were present. In 1984, the University established the Oslo Innovation Centre in cooperation with other research institutes and foundations, the municipality of Oslo and the Norwegian Industrial Association of that day – which represented private businesses in the region. They all represented external stakeholders who exercised economic influence. The idea was to establish a meeting point for industry and business and research communities, or as the rector put it, “to strengthen the contact between the University’s research groups and the users” (Annual Report 1985:2, my translation). The idea of an innovation centre was not completely new at the University as it originated in international trends, e.g. science parks at American universities (Collett 1999). The Faculty of Mathematics and Natural Sciences had for some time been planning a foundation in order to stimulate more contract research. The initiative leading to the establishment of the Centre was, however, taken by the municipality of Oslo and the Industrial Association. The aim of the Centre was to put ideas and knowledge developed by the research community into industrial production. On the one hand, this would contribute to the fulfilment of the political goals of economic growth

---

20 For instance, Norsk Medisinaldepot AS (NMD) financed an endowed professoriate in Pharmacology. NMD is the largest wholesaler and distributor of pharmaceutical and health care products in Norway. It was a state owned enterprise – as part of national health policy – until 2001 when state authorities sold their shares.
and full employment inherent in a welfare regime. The establishment of the Centre can, on the other hand, contrarily be understood as a response to signals from the government which implied that the University was expected to attract more private research funding; the University, and especially the Faculty of Mathematics and Natural Sciences opened up to the outside world, more specifically to businesses, as described within the entrepreneurial regime in accordance with ideas about the marketisation of research.

The empirical data does not support the assumption that this cooperation was regarded as a threat to the academics, i.e. internal stakeholders, at the time. It was rather considered to be an opportunity to generate more income for the University as well as to see their research ideas fulfilled. The Government used their political influence to encourage the University to approach private businesses; at the same time, they underlined that they had the main responsibility for funding basic research at the universities (St.meld. nr. 60 (1984-85)).

**Stance towards Students**

As shown above, some steps were taken to meet society’s changing demands concerning students’ professional qualifications. Analyses of the University’s stance towards students showed that there was great concern about the students’ ability to obtain a job after leaving university. In order to offer education compatible with working life needs, the rector argued that study programmes and teaching must constantly be evaluated and modified (Annual Report 1977).

At the same time, the rector underlined that if the University was to preserve its distinctive character, it had to restrain the extent to which it let itself be affected by changes and demands from society. He argued that

> They [the universities] are expected to prepare their students for working life and the conditions they will meet there. But in a cultural and research context they are also expected to act in a long-term perspective (Annual Report 1979:35, my translation).

The university’s concern for the students’ ability to obtain a job discussed above can be understood as a stance towards students corresponding to the welfare regime. The students were both recipients of education and the objective of the education was to get a job. Early in this period, academic issues were left to the teachers to solve on their own (Simensen 1968). However, the student rebellion in the late 1960s and the subsequent radicalisation of the student organisations changed this to some extent and the students also gained a say in teaching
matters. Furthermore, the students demanded more representation in decision-making bodies – cf. the discussion on internal organisation below. Changes in internal organisation had implications for the category stance towards students, i.e. not only the students themselves but also the University as a whole no longer regarded the students as mere recipients but also as participants. Features of the bargaining regime became more perceptible – in addition to the existing features of the welfare regime. Due to these changes in the University’s stance towards students, students gained more political influence as internal stakeholders in matters related to teaching and education.

Treasury Tools

The treasury tools applied in this period mainly consisted of tied grants which implied the presence of the features of the welfare regime. This indicates that the Government and the Parliament exercised vital economic influence. The University could not transfer assets between line items without asking the Ministry for permission. The Ministry, however, only made exceptions if the University exceeded the budget, or more precisely, exceeded specific line items.

Until 1973, the University’s budgets expanded steadily and the potentially restrictive tied grants system did not seem to create any difficulties. The University was granted more tenured post – though not as many as they requested – and hence more funding. In certain years, the Ministry granted the University a little over 30% of the suggested posts. This illustrates how the Ministry exercised both economic and voting influence. They could easily constrain the University’s expansion by limiting the number of established posts. The use of tied grants as a treasury tool also meant that the University could not spend their allocations on more positions – whether temporary or tenured – than those covered in the budget.

The number of students had increased more than the number of posts. From 1965 to 1975, the number of students increased from about 12,250 to 20,310 and for the next decade the number fluctuated around 19,000. Given the oil crisis and the recession at the time which led to cutbacks in Norwegian public spending, the director stated that there was no longer any reason for the University to spend much time arguing for expansive budgets (Memo 120/73A and 76/74). Despite a gross increase in budget in the late 1970s, the overall economic situation did not change (Memos 88/78 and 147/78). In 1982, two budget line items in particular were underestimated, i.e. goods and services and salary (Annual Report 1982). The Ministry ordered the University to take

---

21 E.g. 84 academic posts of the 265 suggested posts in 1967 and 0.5 of 15 in 1975.
retrenchment measures of 2% and 3% respectively on the actual line items (Memo 21/82). This way of directing the treasury tools implies strong government control and the welfare regime was thus the prevailing form of governance. The Ministry as an external stakeholder administrating the public grants exercised voting influence along with granting authorities, i.e. the Parliament.

Public grants for investments in new buildings followed much the same curve as the University’s funding in general but was also strongly controlled by national authorities. The enormous increase in the number of students in the late 1960s meant that the University needed more buildings and several were completed in 1967/1968. Later, when governmental investments in new buildings slowed down, only a few projects were running at a time. The faculties of Humanities and Social Sciences, among others, worked in cramped quarters for several years. The Parliament exercised economic influence as they did for the more general funding discussed above.

In 1986, the Ministry changed some of the orientation of the treasury tools, i.e. the budgeting system became more flexible but it remained a system of tied grants – characteristic of the welfare regime. The University could now make budget line transfers between salary and current expenditure without asking the Ministry for permission. The reform aimed at “stimulating public agencies to make the most of their resources and to emphasise the achievement of the intended results” (Annual Report 1986:4, my translation). The statement involved the start of a more performance oriented way of governance. In order to carry out the budget reform, the University decided to distribute most of the salary budget among the faculties. This implied that the faculties were delegated disposal authority in matters such as how much to spend on permanent positions, substitute and temporary teachers or investments in equipment. It is important for this study that the changing budget system implied that some voting influence in budgeting issues was transferred from an external stakeholder, the Ministry to internal stakeholders, the University in general and the faculties in particular.

Authority Tools

Until the late 1980s, the University had its own laws – as described in Chapter Five. These laws, as part of the authority tools administrated by the Ministry, regulated the University’s activities such as the internal organisation system, appointment rules, etc. in some detail. This orientation of the authority tools is in accordance with the welfare regime. For the Acts of both 1955 and 1975, the
Collegium drafted law propositions which were delivered to the Ministry. The professors represented in the Collegium drew up the original proposal for the laws. The Ministry could, however, make substantial revisions before the proposal was passed by the Parliament. This implied that the features of the bargaining regime to a certain extent were represented along with the more important elements of the welfare regime. This is illustrated by the following examples. The Act of 1955 regulated in detail for instance the internal organisation of the University: the appointment of faculty, student admissions and matriculation. Additionally, all employment depended on established posts allocated by the Ministry cf. the discussion under treasury tools. Professors were appointed by the Government, albeit according to recommendations from the faculty councils and the Collegium. Accordingly, the Government formally held voting influence. However, the internal stakeholders, here the professors, exercised political influence by virtue of making the recommendations. A committee elected by and from the members of the faculty council, acting as internal stakeholders exercising both voting and political influence, appointed – based on nominations – other research employees. As a university, the Collegium had the right to grant doctoral degrees thereby strengthening the University’s voting influence on academic matters.

Authority was also used by the Collegium as a tool for internal delegation of decision-making power. According to recommendations from the Brodal Committee\(^\text{22}\) – appointed by the Collegium in 1967 and set up to discuss the internal organisation structure – the Collegium delegated authority to the faculty councils in questions such as the disposal of certain economic matters and some personnel management issues (Annual Report 1979). This was further specified a few years later. The faculty councils now had the authority to decide on curricula, i.e. the academic content, and appoint external examiners and complaints boards. The Collegium still decided on whether to establish or discontinue specific study programmes (Annual Report 1982). As a result, more voting influence was passed on to the faculty level from the Collegium.

One device of the authority tools, however, gave authority to an apparent external stakeholder. The Norwegian Medical Association had the authority to licence specialists within medicine. In 1982, the authority was transferred to the Ministry of Health and Social Affairs. However, there was no actual change as the Medical Association had the authority delegated back to them (Larsen, Berg & Hodne 1986). The presence of a special interest organisation with such an

---

\(^{22}\) The Committee’s work will be discussed further in relation to their recommendations for changing the internal organisation.
independent position indicated adherence to the bargaining regime. The Medical Association exercised voting and political influence on specialist training at the expense of the University. Many of the medical experts in the Medical Association were, however, connected with the University through their positions at the university hospitals where some departments of the Faculty of Medicine were situated. The distinction between external and internal stakeholders thus became blurred.

Internal Organisation

Guidelines for the University’s internal organisation and management were incorporated in the law. The following discussion reveals that features of the expert regime prevailed until the mid-1970s when a new law introduced features of the bargaining regime. In the beginning of this period, the rector was elected from among the professors by members of the Collegium and the faculty boards, i.e. a quite decentralised system of chairs. In addition to rector and pro-rector, the Collegium was composed of all the deans, one representative from the lecturers and one student representative with the right to attend and speak in all matters. Their right to vote was, however, limited as only professors and senior lecturers could vote in matters of employment and academic degrees. The faculty boards, which had extended decision-making authority for faculty matters, had from 30 to 50 members. Of these, professors along with senior lecturers constituted the main part. The faculty boards elected deans from among the professors. The professors by virtue of holding the majority of the seats in decision-making bodies at all levels were thus the internal stakeholders who exercised voting influence. The number of lecturers who were admitted varied among the faculties. However, their relative power was negligible compared to the number of lecturers who were actually employed. This imbalance was further accentuated by the fact that the increase in posts mostly came among lecturers and not professors. These differences contributed to the demand for more democratic and representative bodies.

Furthermore, the student rebellion played a part in this process. In the late 1960s and early 1970s, students complained about the governing bodies of the University being undemocratic, archaic guilds not founded on the representative principle – in contrast to the student organisations (Simensen 1968).

The recommendations from the previously mentioned Brodal Committee called for major changes in the University’s internal governance. The Collegium’s later discussions of the recommendations laid the foundation for
its final law suggestions to the Ministry. There were strong internal forces at the University who fought for change, cf. the imbalance inherent in the professors’ relative strength. Before any law amendments were made, a pilot project was introduced: direct elections for department councils where all groups of internal stakeholders, i.e. academics, technical-administrative staff and students were represented. Accordingly, characteristics of the bargaining regime became more significant within the University.

The changes that formally came into force in 1977 confirmed the implementation of a major democratisation process but not without controversy. The previous discussion of non-academics’ and students’ rights to vote in matters of employment and academic degrees had caused dissension. When the issue was discussed in 1972, the Collegium was divided and only a minority favoured such a solution (Collegium minutes 327/1972). However, the Parliament cut through all discussions and decided that all elected members had the same right to vote in all matters. When the principle was finally introduced, the situation had calmed down and the differences had lessened.

The size and the composition of the Collegium also caused disagreements and lengthy debates (Collegium minutes 327/1972 and 1587/1975). The final outcome of 33 members, was, however, not reached until 1976. In addition to the rector, pro-rector and deans the Collegium included twelve representatives from the academic staff, including some temporary staff. The number of technical-administrative representatives was raised to five and that of students to seven. The most important effect was, however, that a membership of ex officio was replaced by representation through elections, introducing more features of the bargaining regime. This applied not only to the Collegium but also to decision-making bodies at all three governance levels. The Ministry had discussed whether parties from outside the University should be represented at the Collegium – something which the Collegium opposed. The question was postponed until a new common university act\(^\text{23}\) was due to be discussed (Annual Report 1975). The current law also implied that senior lecturers became eligible for candidates for the position of rector – in contrast to the recommendations made by the Collegium (Collegium minutes 327/1972). At the faculty level, all permanent academic staff could stand for election as dean, not only professors and senior lecturers.

To sum up, in the late 1970s, the bargaining regime prevailed in the government of internal organisation and management. As a result of the law\(^\text{23}\) A common legal framework for all the Norwegian universities was passed in 1989, “The University and Scientific College Act of 1989”. The implications of the law are discussed in more detail in section 6.3.
amendments, the distribution of voting influence among the internal stakeholders such as lecturers, students and technical-administrative staff on the one hand and professors and senior lecturers on the other, changed; the professors increased their voting influence – both in relative number and in issues – at the expense of the senior lecturers. In spite of the voting influence they wielded on law amendments, neither the Ministry nor the Parliament actually exercised such influence on the issue of external representation in the Collegium.

Assessment

Forms of assessment were little discussed until the mid-1980s. As a result of the national budget reform in 1986 – more thoroughly discussed above – the University was supposed to adapt to management by objectives (MBO) and performance management. The introduction of result-oriented planning (ROP), though not made mandatory until 1990, comprised part of the modernisation of the Norwegian public sector. At the time, the University still thought they had a choice with regard to employing result-oriented planning. This was underlined by the university director who stated “If the University of Oslo is to implement result-oriented planning […]” (Memo 17/86, my translation). Furthermore, ROP had to be adjusted to the situation of each individual institution. MBO and ROP, features of an emerging entrepreneurial regime, are discussed more extensively in the analysis of the second period, 1987-1997.

6.2.1 A Democratisation Process

The Norwegian tradition of involving affected parties in the decision-making process gave the internal stakeholders in particular and especially the professors an opportunity – which they used – to exercise political influence. They did so through their consultative statements on White Papers and commission reports, such as the one by the Ottosen Commission. Although the Ministry technically appointed professors, actual influence was held by internal stakeholders like the Collegium and the faculty councils which mainly comprised professors until the mid-1970s. Professors also exercised extensive voting influence because they formulated all first proposals for new laws concerning the University. This cooperation with the Ministry was not regarded as a threat to the influence of the professors but rather as an opportunity to affect the final outcome. However, their influence was to some extent limited by the Ministry who could – and did – make amendments which the University had to obey. The Ministry
thereby exercised voting influence. Despite this fact, the professors were the main internal stakeholders exercising voting influence during the first part of this period.

After 1974, the democratisation process implied a broader participation from all internal stakeholders, i.e. academics in mid-level positions; students and technical-administrative staff hold voting influence. This included the right to decide on academic matters such as the appointment of professors. Accordingly, the professors lost their predominance. The disagreements and disputes during the process are indications of the threat felt by the professors which was further reinforced by the fact that the Collegium did not reach a unanimous conclusion. As shown above, it was the Parliament which made the final decision about voting rights – following the recommendation of the minority. Furthermore, the process of democratisation was reinforced by the Collegium’s more extensive application of internal delegation. The following example illustrates this. The faculty councils had delegated authority from the Collegium, especially in matters such as budget disposal, personnel management and curricula. The same widening of participation had taken place at all levels of the University. Accordingly, more internal stakeholders than just the professors, exercised voting influence as the foundation for participation changed.

Public authorities were the most important external stakeholders during this period. Apart from what is discussed above, they were especially important due to their access to and use of economic influence. From the mid-1980s, other examples of external stakeholders who exercised economic influence have been found – such as the municipality of Oslo, the Norwegian Industrial Association, British Petroleum and the Norwegian Institute for Nature Research (NINA). The analysis did not reveal any signs that the University or the faculties involved considered the cooperation to be threatening. It was rather referred to as an opportunity to conduct more research, invest in equipment and hire visiting professors. However, there was always a threat that money might be withheld – a condition for exercising economic influence. The possibility of the projects not actually being marketable was a risk the external stakeholders shared with the involved academics, the internal stakeholders. However, both parties had something at stake – money and knowledge. It is worth noting that the internal stakeholders who took part in these externally financed activities were mainly to be found within science, medicine and pharmacology.
As shown in the case of the establishment of a study programme in petroleum geology, the professors, as members of the Collegium also made some local adjustments when implementing public policy, thereby exercising political influence. In the case of the establishment of an organised doctoral programme, the academics at the Faculty of Mathematics and Natural Sciences, modelled their programme on the existing programme at the Norwegian Institute of Technology who were important to the process through their position as passive external stakeholders. Furthermore, the analysis indicates that the academics at the Faculty of Mathematics and Natural Sciences regarded and took advantage of the situation as an opportunity. As internal stakeholders they actually wanted to introduce such a programme despite the fact that it was much disputed within the University (Collett 1999). Even though the issue had been discussed before, the Faculty did not gain support until another – competing – institution had started such a programme. Academics, i.e. internal stakeholders at the Faculty of Humanities on the other hand resisted change in the degree structure and the study programmes despite both the external demand concerning students’ employability and other internal actors who argued in favour of change.

Applying the terminology of historical institutionalism, the institutional legacy of the University of Oslo was composed of professors and the Ministry who exercised voting influence. The situation changed somewhat, however, in the mid-1970s. The changes in internal organisation implied that more internal stakeholders got a say in matters such as the shaping of values and the disposal of public allocations – although in agreement with strict regulations. Accordingly, the institutional legacy was transformed in the sense that more internal stakeholders representing all academics, students and technical-administrative staff won access to voting influence. The professors, on the other hand, lost their exclusive right to voting influence.

The various stakeholders’ foundations for influence are summarised below. The year 1974 is used as a dividing line because that was when the Collegium introduced the pilot project, before the final law amendments came into force in 1977.
### Voting Influence

<table>
<thead>
<tr>
<th>Internal Stakeholders</th>
<th>Before 1974</th>
<th>After 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Collegium</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Faculty and department boards</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Professors</td>
<td>x</td>
<td>(x)</td>
</tr>
<tr>
<td>Academics, students and techn.-adm. staff</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>External Stakeholders</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Government</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Parliament</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Ministry</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Norwegian Medical Association</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

### Economic Influence

<table>
<thead>
<tr>
<th>External Stakeholder</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Government</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Parliament</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Ministry</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The municipality of Oslo</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>The Norwegian Institute for Nature</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Research (NINA)</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Regional businesses</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Norsk Medisinaldepot</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>British Petroleum</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

### Political Influence

<table>
<thead>
<tr>
<th>Internal Stakeholders</th>
<th>Before 1974</th>
<th>After 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision-making bodies at the University</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Student organisations</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>External Stakeholders</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other HEIs</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Norwegian Medical Association (with internal stakeholders as members)</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Norwegian Industrial Association</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

---

#### Figure 6.1 Stakeholders and the foundation for their influence at the University of Oslo, 1965-1986.

#### 6.3 1987-1997 A Mixture of Four Regimes

As described in Chapter Five, the Hernes Commission was appointed in 1987. Their report focused on cooperation, the division of labour and quality within the higher education sector (NOU 1988:28). The Government emphasised liberal ideas referred to as the modernisation of the public sector in general and the higher education institutions in particular. Norway demonstrated a slow start in adapting some of the principles of governance of the New Public
Management (Olsen 1996). The Hernes Commission also had a strong focus on aspects of governance within higher education institutions. The report resulted among other thing in new organisation and leadership structures and the introduction of new principles for budgeting and allocation. Result-oriented planning was made a mandatory part of the latter. Accordingly, this accelerated the modernisation process.

The resource crises that the University experienced in the previous period continued. One reason was that, after some stagnation, the number of students increased once again, nearly doubling over a ten year period – in 1996 the number exceeded 38,000 (Annual Report 1996). Public grants for education, research and buildings did not keep up with this expansion.

Values
During this second period – as in the first, the University expressed cultural values according to features of the expert regime where internal stakeholders, i.e. academics, exercised political influence on the values of higher education. In 1987, the Collegium decided to carry out a so called Perspective analysis. The objective of the analysis was to examine the University’s situation and opportunities taking a long-term strategic approach. Here, cultural values were articulated:

All areas of knowledge are connected as parts of a knowledge universe. Research, teaching and the dissemination of knowledge and research results are integral aspects of the learning process. [...] Freedom and a commitment to truth form a unit; they are essential in scientific communication (The Perspective Analysis quoted in UiO 1999a, ch. 2.2, my translation).

According to Collett (1999), the Perspective analysis aspired to combine the preservation of the University’s distinctive character with modernisation. This was understood as a way of improving recruitment of competent students and scholars as well as research funding. Accordingly, utility values have also been found – illustrating features of the welfare regime along with those of the expert regime. This can be exemplified by statements from the director. He claimed that higher education and research “give knowledge and critical understanding as foundations for action”, additionally, that they can be seen as “important tools for creating economic growth and value” (Memo 169/91, my translation). Here, features of both the expert and the welfare regime are expressed simultaneously. However, more specific examples of how the University was supposed to contribute to growth by educating students or
doing research were not mentioned. The expressed values must also be seen in relation to the actions taken to meet demands on higher education which are further discussed below.

Responses to Demands on Higher Education
In the Strategic Plan 1990-94, the University displayed different responses to demands on higher education. On the one hand, the University claimed that autonomy and critical reflection were the bases for free academic teaching and research. The University had the intention of serving society as a whole – which is a characteristic of the expert regime – and not specific interests. The following quotation illustrates this point, “The innate criteria of research with regard to the quality and choice of problems must be balanced against societal expectations concerning relevance and practical application” (Strategic Plan 1990-94:2, my translation). On the other hand, opening up to cooperate with the outside world was emphasised as well – and linked to the definition of the good university

    One of the hallmarks of a good university is that it is an attractive cooperative partner for a large number of divergent institutions and businesses. For a quality-conscious, dynamic university it is thus important to open up to the needs of organisations, working life and business (Strategic Plan 1990-94:4, my translation).

The following examples will illustrate what the University did to respond to the demands on higher education institutions to open up to the outside world in terms of expanding its involvement in independent research foundations. It also illustrates that the commercialisation of research became somewhat more important than before.

In 1987, the University, in cooperation with several research institutes, established FOSFOR – a research foundation for the Oslo area. It aimed to make the University’s externally financed activities more visible (Collett 1999) as well as creating cooperation between the University and the research institute sector. Two people were the main initiators, a professor at the Department of Physics and a representative from a public research agency. After a few years, FOSFOR was, however, closed down as an independent organisation and its tasks were transferred to the Oslo Innovation Centre – established in 1984 and discussed in Section 6.2.

Together, the University and the Oslo Innovation Centre worked to establish a larger science park which was officially opened in 1989 (Annual
Report 1989). The university director stated that the Oslo Innovation Centre had to be considered “an instrument for contact with business and industry and for the commercialisation of research results” (Memo 169/91, my translation). There were important economic arguments for satellite activities even though there were disputes as to whether these activities covered their own expenses. The director claimed, however, that they had made it possible to provide the University with equipment that would not otherwise have been possible to purchase. Satellite activities themselves were also disputed within the University – the establishment of external projects threatened to draw qualified researchers away from their own scientific communities. On the other hand, these activities were regarded as interesting from a research point of view since contract and business related research made it possible to access the entire process – from pure research to a marketable product – in the presence of mutual influence (Memo 169/91). It was imposed as a condition that the University maintain firm ties between education and research so that students could profit from any newly gained understanding. As noted in previous research on other national contexts, the focus on commercialisation indicates an emerging entrepreneurial regime which emphasises knowledge as a tradable service (cf. Chapter Two). External stakeholders held both economic and political influence. Despite disputes over revenues, external stakeholders could hold back or allocate the funding that at least made some of these research activities possible.

Externally financed activities continued to increase during this period. In 1995, the revenue had reached about NOK 450 mill. The scientific communities earned additional revenue as of 1989, when a new distributional formula for overhead was applied. The intention was to increase research activities according to the needs of the scientific communities. Furthermore, the University encouraged cooperation agreements with universities in the Global South (Memo 56/87A).24 Here, the University emphasised the needs of their scientific communities rather than those of the external stakeholders whether they were Norwegian public agencies or foreign higher education and/or research institutions. Accordingly, the internal stakeholders retrained political influence on the content of their research.

**Stance towards Students**

Analyses of the University’s *stance towards students* during this second period revealed that different positions were expressed simultaneously. There was a

24 This mainly involved agreements on research projects, some of which were financed by the then Ministry of International Development and the Norwegian Agency for Development Cooperation (NORAD).
continuous presence of features of the bargaining regime in addition to those of the expert and entrepreneurial regimes. This section gives an example of the latter two, starting with the expert regime. The Perspective analysis (1987) stated that teachers and students were equal partners in the learning environment (Perspective analysis quoted in UiO, 1999, my translation). This represents a stance towards students that corresponds with the expert regime focusing on the student studying to attain knowledge.

The analysis also uncovers elements of the entrepreneurial regime. In 1992, the University introduced mutually binding contracts between master students, supervisors and the department (Annual Report 1992). The contracts contained information mainly on the number of hours allotted for supervision and the timeframe for the disposal of these hours. For the first time, the University managed to set up a common framework for all master students – regardless of which faculty and department they were enrolled at. This was meant to increase the number of graduates at the master's level. Such contracts illustrate the treatment of the students as customers and the standardisation of the setting of the thesis. The above mentioned learning environment and the focus on participation from the previous period had been – if not replaced at least supplemented with a stance towards students which was also in line with the entrepreneurial regime. The students had, accordingly, gained economic influence by virtue of their increased value as graduated candidates. This contrasted with the earlier focus on education as a benefit in itself and the students’ political influence in the knowledge process.

Treasury Tools
The treasury tools were based on a funding system still mainly tied to the number of entrance students, i.e. displaying features of the welfare regime. Furthermore, public allocations also became partially dependent on the number of credits the students acquired, the number of undergraduates and graduates and finally publications. Despite the emerging use of performance indicators, the welfare regime as regulatory management remained widespread. However, as discussed in Section 6.2 above, the changes in the national budget reform of 1986 implied more room for manoeuvre for the individual institution with regard to transference between line items.

The year 1987 ushered in a somewhat more generous economic situation as exemplified in the number of new established posts. The Ministry granted 209.5 posts of the 240 the University proposed in their budget. As part of the implementation of the retrenchment measures mentioned earlier, the Collegium
wanted to reemploy approximately 15 posts for other purposes (Memo 9/86). However, the economic situation was to some extent different from that of the early 1970s. There had been extensive reallocations not only between, but also within faculties – according to student influx and the establishment of new disciplines. The University had more liberty to dispose of their allocations even though these were still tied grants. Accordingly, the internal stakeholders at all levels of the University achieved relatively more voting and political influence in these matters than they had had before.

In 1989, funding increased, especially allocations for new buildings and for teaching (Annual Report 1989). The number of entrance students increased for the first time in years. A 23 % increase from 1988 – a total of 25,700 students, represented a dramatic situation according to the rector. However, the increase continued until 1996 – when the number of students reached about 38,260 – and then levelled off. Even though funding was tied to the number of students, the effect of an increasing number of students on the teaching budget was delayed by the budget process. As a result, more and more of the salary budget was spent on teaching and examinations. The Government gave, however, additional allocations over the years – and in 1991 they granted money to fund the admission of more students (Annual Report 1990, 1991, 1996). The University experienced a relatively expansive period. For instance, in 1991, the level of building development could be compared to the expansions in the 1960s.

From 1996, a new national budget model was gradually adopted. First, the model was composed of a basic component based on an estimated number of full-time equivalent researchers and on the maximum number of students giving disbursement, as decided by the Ministry. Second, incentives were used as well – demonstrating features of an emerging entrepreneurial regime. The government attached incentives to the number of graduates in order to increase student flow. Finally, one component was intended for new and/or prioritised activities using earmarked funding. It was argued that the model was a means to better achieve consistency between what was planned and the achieved results (Annual Report 1995). The University also adopted a corresponding model for internal allocations. This was done in order to make various units focus more on education, research and dissemination of knowledge and research results. One of the University’s challenges was, however, to prevent the continuously increasing student numbers from having a negative effect on research. The national authorities remained the most important external stakeholders who exercised economic influence. The University could now affect their allocations
by performing better on the budget indicators. This can be interpreted in such a way that the University had attained economic influence they previously did not have.

**Authority Tools**

The University and College Act of 1989 united all universities and scientific colleges under a single law. The introduction of this law changed a number of different authority tools. However, before looking at these changes, it is worth noting that for the first time, the University had not made their own proposal for law changes via the Collegium. The Ministry had quickly prepared the proposal, giving the universities very little time to prepare consultative comments. In this process, the University in general and the Collegium in particular lost both voting and political influence to an external stakeholder – the Ministry. The law formulation was, as previously, quite detailed – an attribute of the welfare regime. The Ministry and the legislative authorities accordingly exercised voting influence on the University. As discussed below, the Ministry further reduced the University’s political influence by taking few of their consultative statements into account.

The law aimed at strengthening institutional autonomy while still securing political control (Ot.prp. nr. 62 (1988-89)). The Collegium was to act more like a responsible board for a company, i.e. introducing the model of corporate enterprise as a principle of governance for the University. This implied a new form of political control which might be interpreted as a feature of the entrepreneurial regime – existing along with the welfare regime. The Ministry did, however, delegate more authority over more issues to the Collegium. As part of the principle of delegating authority from the Ministry to the University, the Collegium from now on, appointed the professors. The Collegium – an internal stakeholder – thereby gained formal decision authority from an external stakeholder – the Ministry. In practice, the difference does not, however, seem essential since, until then, the Ministry had made their appointments on the basis of suggestions from the Collegium. Furthermore, the system with governmental allocation of established posts ended in 1990.

The rector underlined that delegation of authority from the Ministry to the University involved corresponding delegations within the University, i.e. from the Collegium to the faculties. Examples of such delegations to the faculties were that they gained more authority to redistribute positions, handle certain advancements issues, appoint technical-administrative staff and to make decisions in individual cases. Additionally, the faculty boards were delegated
authority from the Collegium to appoint the middle tier of teaching positions. Accordingly, these aspects of an emerging entrepreneurial regime meant that more internal stakeholders, i.e. also those at the faculty and department level, exercised more voting influence.

The Higher Education Act of 1995 brought all higher education institutions under one legal framework. The main consequence in terms of authority was that the strategic importance of the Collegium was strengthened; i.e. strategies for the University’s academic activities including education and research. This implied that the Collegium could not delegate this responsibility to the faculties. For this reason, governance began to adhere more to the characteristics of the entrepreneurial regime. However, the Ministry still stipulated a number of prerequisites tied to allocations and financial control of the University (Bernt 2000). The Ministry therefore held on to their voting influence. However, at the same time the Collegium obtained relatively stronger voting influence than before due to their strategic responsibilities.

Internal Organisation
The Act of 1989 implied changes in internal organisation and management. The Ministry used the Act as an opportunity not only to reduce the number of members in the Collegium but also to change its composition. Furthermore, the law replaced old terms like collegium and dean with university board and faculty manager. The deans were still to be elected – and not appointed. The University of Oslo, however, did not wait long before it took back the old terms. The law stated that the deans were no longer members of the Collegium, neither by virtue of their position nor as elected members. Accordingly, this cut off the direct ties between the Collegium and the faculties. The Ministry thereby expected the Collegium to become more efficient and less of an arena for negotiations between special interests where the deans represented their respective faculties (Ot.prp. nr. 62 (1988-89)). The aim was to make the Collegium and its representatives take responsibility for the institution as a whole. The University disputed these changes at length. In their consultative statement to the law they argued that “faculty representation in decision-making bodies has [...] been regarded as an essential precondition for legitimacy” (Ot.prp. nr. 62 (1988-89):22, my translation). However, the Ministry did not take the consultative statement into consideration. Despite this resistance, it can be claimed that this strengthened the bargaining regime as more seats in decision-making bodies became accessible to internal stakeholders, i.e. academics other than the deans, through elections. Accordingly, more internal
stakeholders came to power and gained voting influence. These changes can, on the one hand, be understood as a continuation of the democratisation process and thus characteristic of the bargaining regime. On the other hand, the system of internal organisation remained at the same time rather centralised. This was because the Ministry had the authority to determine internal organisation by law – characteristics of the welfare regime are thus found along with those of the bargaining regime.

The Ministry argued that a consultative body with broad representation could meet the needs of the University. This illustrates how the Ministry demonstrated their voting influence as external stakeholders. The consultative body to the Collegium, the Collegium Council, introduced in the law of 1989, had 30 members: academics, students and technical-administrative staff. All internal stakeholder groups achieved political influence. With the exception of the deans – who automatically had a seat as a sort of compensation for no longer having a seat in the Collegium – all members were elected representatives of the faculties.

In the Act of 1995, the number of collegium members was changed once more. For the first time, external members became mandatory. Rector, pro-rector, five academics, two from the technical-administrative staff, two students and two external members were now awarded seats in the Collegium. The Ministry appointed the external members based on proposals from the Collegium. The first external members in the Collegium were the information director of Norsk Hydro and the managing director of Kreditkassen respectively. The introduction of external stakeholders in the Collegium shows that features of the entrepreneurial regime could also be found within the internal organisation system. However, elected members – internal stakeholders exercising voting influence still formed the majority and the bargaining regime therefore continued to prevail.

In the mid-1990s, the University emphasised management training for both elected academic leaders – deans – and appointed administrative leaders. The University earmarked resources for developing managers’ understanding of their leadership roles and responsibilities (Annual Report 1996). The Act of 1995 strengthened, to a certain extent, the management competence and responsibility of the deans (Bernt 2000). Deans were also head of the faculty board and the law made a point of their responsibility as faculty supervisors on behalf of the board. Efficiency became an argument for reducing the number of members on faculty councils and boards. This was expected to give the

25 Kreditkassen was one of the major Norwegian banks at the time.
academic staff more time to spend on primary tasks (Annual Report 1995). The emphasis on management and efficiency is another indication of the emerging entrepreneurial regime. Internal stakeholders, such as deans acting as academic leaders and managers, increased their voting influence at the expense of the general academic staff.

Assessment

During this second period, the forms of assessment briefly discussed in relation to the first period, became more pronounced and so did characteristics of the entrepreneurial regime. This can be illustrated by the fact that the late 1980s was marked by internal discussion on the introduction of result-oriented planning (ROP). As shown above, the University had previously acted as if they had an option whether or not to introduce ROP. However, from 1990 the Ministry made ROP mandatory and it formed part of the Norwegian adaption of management by objectives and results (MbOR) and thus of New Public Management (cf. Chapter Five). The University organised a pilot project where three faculties – the Humanities, Medicine and Social Sciences – were chosen trial subjects (Memo 87/88). The aim was, first, to present a model describing different elements of the plan and second, to gain experience before the system was implemented throughout the entire University. The Collegium argued that result reports, as part of the ROP system, could be used to inform the surrounding world about the University’s numerous activities – helping to legitimate both the spending and the flow of resources (Annual Report 1989). However, ROP lacked legitimacy among the elected leaders who – with the exception of the deans from the pilot faculties – were never directly involved in the process (Christensen 1991).

Both the concept of management by objectives and the process chosen by the Collegium and the administration were heatedly discussed among the academics at the University (Christensen 1991, Collett 1999). The strongest critique concerned the use of performance measurement on knowledge activities and the effect on academic freedom (Christensen 1991); the internal stakeholders thus regarded ROP as threat. The opponents claimed that ROP was likely to restrain free research and intellectual freedom. Furthermore, they raised the question of how to measure academic activities. The criticism died out after a while and much remained as before. In 1994, however, the rector stated that the University had produced more research than required by the granting authorities – despite the increasing number of students and less time for research (Annual Report 1994). From then on, a point was made of
registering and announcing the number of scientific publications and examinations passed during the year in question. In a few years, the report system developed and became more detailed with regard to counting for instance the production of student credits at each faculty and according to bachelor and master’s levels. This was clearly linked to the extended use of incentives discussed in relation to treasury tools above. This discussion of assessment implies that two groups of internal stakeholders exercised political and influence voting. Managers at the top-level of the University and the deans at the pilot faculties affected both the content of assessment and made the final decisions whereas academics in general were not involved.

6.3.1 An Emerging Decentralisation Process

During this second period, several groups of internal stakeholders gained access to relatively more voting influence than they had had during the previous period. As a consequence of the Ministry’s increased delegation of authority to the University in the Act of 1989, the Collegium delegated authority further down the decision-making system. Accordingly, not only the Collegium but also faculty boards increased their voting influence. However, as the Ministry later explicitly assigned the responsibility for strategic matters to the Collegium, they gained voting influence that could not be delegated to the faculties.

The Act of 1989 implied major changes with regard to which internal stakeholder groups automatically exercised voting influence as members of the Collegium. When the Ministry decided that the deans could no longer sit in the Collegium, their voting influence was considerably reduced. They did, however, obtain political influence as members of the newly established consultative body – the Collegium Council. Here, also students and technical-administrative employees exercised political influence. The reduction of the number of members in the Collegium points to the Ministry’s emphasis on efficiency over broad participation and how the Ministry used their position to exercise voting influence. The next law amendments indicate that the emphasis on efficiency was to be continued.

Despite the fact that the Ministry delegated some of its authority to the University, the Ministry retained essential voting influence. This was for instance shown in the way they overruled the University’s consultative statements on law amendments. Centralisation of authority was still a major principle through which the Ministry – an external stakeholder – had access to considerable voting influence. The process behind the Act of 1989 – to which
the Collegium for the first time did not deliver a law proposal to the Ministry and where the Ministry only to some extent took the University’s consultative statements into account only to a limited extent – also demonstrates features of centralisation.

Through the Act of 1995, external stakeholders gained voting influence for the first time by virtue of their right to two seats in the Collegium. This was at first regarded as a threat to the core value of the internal stakeholders’ right to control academic matters. However, the internal stakeholders still held the majority. These changes in the Collegium were made at the same time as the University was focussing more on the demands on higher education to open up to the outside world and to consider cooperation with external stakeholders to a larger extent. Above, these tendencies were described as additional features of the entrepreneurial regime which appeared during this second period, exemplified in the establishment of the FOSFOR foundation. Even though the foundation was discontinued, the perception of research as a tradable good had gained more general acceptance in the University. Its tasks were taken over by the existing Oslo Innovation Centre – an establishment that was also committed to the commercialisation of research (cf. the discussion in Section 6.2). Satellite activities had gained economic importance and the University could focus more on applied research. External stakeholders engaged as partners in these processes exercised economic influence.

The process that prepared the system for result-oriented planning at the University showed that, on the one hand, the technical-administrative staff exercised both more voting and political influence than the other groups of internal stakeholders. On the other hand, the deans at the involved faculties also took part and played an influential role in the process as academic leaders. During this second period, the deans strengthened their position as leaders. There was a growing focus on leadership and management development not only for the administrative leaders but also for the academic leaders.

The analysis of the dimension stance towards students also reveals features of the entrepreneurial regime as the University started to refer to students as customers and not simply as individuals whose main objective was to attain knowledge per se. However, it was not a complete transformation, but rather a situation where two perspectives coexisted, one that had existed for a long time and one that was more recent. The students thereby gained economic influence. This was reinforced by the introduction of new treasury tools: the use of performance indicators tied to the production of student credits and the number of graduates.
There are indications that new elements have been added to the institutional legacy of the University of Oslo. Examples of such new elements are: the focus on management and leadership, external stakeholders as members of the Collegium and intensified participation in satellites activities. On the other hand, there is no evidence that the idea of knowledge and research as tradable goods took root in the organisation as a whole. But according to the discussion above there is reason to claim that the idea is less contested than before. Furthermore, ideas of management and leadership have entered into the organisation and functioning of all three governance levels (Collegium, faculty, and department) of the institution. The participation of internal stakeholders in decision-making bodies is, however, still a vital principle.

To sum up, the following stakeholders had:

<table>
<thead>
<tr>
<th>Voting Influence</th>
<th>Internal Stakeholders:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- The Collegium</td>
</tr>
<tr>
<td></td>
<td>- Faculty and department boards</td>
</tr>
<tr>
<td></td>
<td>- Academics, students and technical-adm. staff</td>
</tr>
<tr>
<td>External Stakeholders:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- External Collegium members (from 1995)</td>
</tr>
<tr>
<td></td>
<td>- The Government</td>
</tr>
<tr>
<td></td>
<td>- The Parliament</td>
</tr>
<tr>
<td></td>
<td>- The Ministry</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic Influence</th>
<th>Internal Stakeholders:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Students</td>
</tr>
<tr>
<td>External Stakeholders:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- The Government</td>
</tr>
<tr>
<td></td>
<td>- The Parliament</td>
</tr>
<tr>
<td></td>
<td>- The Ministry</td>
</tr>
<tr>
<td></td>
<td>- The municipality of Oslo</td>
</tr>
<tr>
<td></td>
<td>- Businesses contracting research and taking part in student projects</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Political Influence</th>
<th>Internal Stakeholders:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Decision-making bodies at the University</td>
</tr>
<tr>
<td></td>
<td>- The Collegium Council</td>
</tr>
<tr>
<td>External Stakeholders:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Businesses contracting research and taking part in student projects</td>
</tr>
<tr>
<td></td>
<td>- The Norwegian Medical Association</td>
</tr>
<tr>
<td></td>
<td>- The Norwegian Industrial Association</td>
</tr>
</tbody>
</table>

Figure 6.2 Stakeholders and the foundation for their influence at the University of Oslo, 1987-1997.
6.4 1998-2006 Features of the Entrepreneurial Regime Mixed with the Welfare and Bargaining Regimes

In 1998, the Mjøs Commission was appointed and its report preceded the public Quality Reform that came in force in 2003. This reform was both a management and a study reform. As described in Chapter Five, the Government introduced a new degree structure and emphasised pedagogical teaching and assessment methods including more individual feedback. As a management reform, it emphasised increased institutional autonomy and the delegation of more authority from the Ministry to the individual institution. The reform also implied a new financing model – or more precisely – a further development of the system based on performance indicators, the contours of which became clear in the analysis of the second period above. Arguments for the use of performance indicators were linked to those on increased institutional autonomy.

The Bologna declaration which the Government signed in 1999, affected the Mjøs Commission and the suggestions they made, for instance the degree structure to a certain extent. It has also been said that the opposition to the reform was weaker than expected (Vabø and Aamodt 2005).

In 2002, a second Commission, the so-called Ryssdal Commission, was established to work on the first passing of legislation common for all Norwegian public and private higher education institutions. Issues concerning institutional autonomy and academic freedom also formed part of the mandate. Their report followed up the Quality Reform with regard to being a management reform.

The second student expansion came to an end during this period. At the University of Oslo, there were about 38,000 students in 1997 when the numbers started decreasing; the decrease continued until 2001 when number stabilised at around 30,000. The University claimed that they perceived intensified competition as there were fewer applicants to higher education at the national level, and not only to the University of Oslo. However, there was competition not only for students but also for researchers and funding (Strategic Plan 2000-2004).

In 2003, the Collegium changed its name to the University Board; 15 years after the Ministry first introduced the term in the University and College Act of 1989. In the following, the term Collegium will be used with reference to statements and decisions made up to 2003. Correspondingly, the term University Board will be used when discussing issues dating from 2003 and onwards.
Values

The documents concerning the University reveal that both cultural and utility values involving features of the entrepreneurial regime were present during this third period. In the beginning, cultural values were still the most emphasised. The rector drew attention to the University’s core values, such as critical reflection and long-term objectives, underlining the freedom to choose research topics and to conduct long-term, non-profit research (Annual Report 1998). The classical cultural value of higher education institutions was underlined by the University, i.e. that “the universities of the future can and should still envision their mission as the cultivation and edification of society” (Long-term Plan 2000-2004:14, my translation).

Later, in the strategic plan for 2005-2009, the utility values of the entrepreneurial regime became even more pronounced than they were during the previous period. The following statements illustrate this point. The University now wanted study programmes and courses to be developed through “dialogue and input from outside the university” (Strategic Plan 2005-2009:7). Moreover, students were to learn about and have contact with the professional sectors for which they are being educated. However, the University does not regard students as active participants in this process. Representatives from relevant professional sectors, other higher education institutions and alumni are, on the other hand, supposed to contribute. Accordingly, external stakeholders gained political influence with regard to the University’s study programmes.

The following example illustrates how the University combined these cultural and utility values characteristic of the entrepreneurial regime. The same plan also focuses on “research that promotes innovation, and problem-solving, and education that meets the distinct needs of working life and/or has a large, stable number of applicants” (Strategic Plan 2005-2009:4). This statement can be understood in such a way that the University has started to take working-life needs and student demands into greater consideration rather than just the obligation to offer a wide range of subjects, regardless of changing demands, i.e. utility as characterised by the entrepreneurial regime. At the same time, the value of academic freedom was given renewed emphasis – as if there were a need to highlight the original, core values of higher education institutions. These are all examples of the traditional cultural values of the institution as a whole existing alongside the utility values characteristic of the entrepreneurial regime as described above.
Responses to Demands on Higher Education

When analysing the University's response to the demands on them as a higher education institution, more pronounced characteristics of the entrepreneurial regime are found – compared to the second period studied above. This also implies that the external stakeholders exercised voting, economic and political influence. For instance, the idea of research being a service has become a less controversial issue. It was stated that the University wanted to strengthen regional cooperation within research innovation and business contacts (UiO 2006b). The activity level of the Oslo Innovation Centre discussed in the two previous periods has grown steadily – from 12 companies in 1989 to 120 in 2005 (Oslo Innovation Centre Annual Report 2005). The following will discuss practices at the University that exemplify the presence of such entrepreneurial characteristics, most of which have been found within the science disciplines. However, the University also expected the Faculties of Humanities and Social Sciences from 2007 to “prepare approaches for cooperation with business and industry in the region” (UiO 2006b, my translation).

Scientific communities at the Faculty of Mathematics and Natural Sciences have, as discussed in relation to demands during the two previous periods, several projects and partners in business and industry. Many of these partnerships have also continued until 2006 and new collaborations have been started. Some general agreements have also been made in order to formalise the cooperation. One example is the cooperation contract between the company GE Healthcare and the Department of Molecular Biosciences on work with contrast agents. This is a cooperation mostly focused on knowledge exchange between the University and a private company. Over a long period, GE Healthcare has taken on candidates from the Department and staff from both places have published scientific articles together. The expansion of the cooperation involved common seminars and employees at GE Healthcare working as supervisors for master students. However, confidentiality problems made supervision more difficult and the company found it hard to come up with new topics for more master theses (UiO: Skotland 2006). As such, the relationship was not regarded as a risk for the University but rather for the external stakeholder. For the Department, the cooperation on the master's programme represented an opportunity to attract specialised and highly qualified researchers from GE Healthcare. The cooperation is here seen as a characteristic of the entrepreneurial regime and a response to the demands on higher education to open up to the outside world, but this was done on the
University’s own terms since the Department cooperates with highly specialised researchers – many of whom have received their Ph.D.s from the University.

Birkeland Innovation illustrates the growing importance of the commercialisation of research. In 2004, the University established Birkeland Innovation which functions as the University’s Technology Transfer Office (TTO) (University Board minutes 8/2003). It was shortly after converted into a limited company. The main objective was to “secure and manage the University’s rights as well as develop research results further” (UiO 2006c, my translation). In relation to the outside world, Birkeland Innovation was expected to contribute to the transfer of technology to business and industry and to the creation of new jobs. The company has at its disposal several funding mechanisms that encourage the transformation of inventive research into commercial innovation. The funding is largely public – allocated as grants aimed at innovation and the commercialisation of research (St.prp. nr. 1 (2003-2004)). In the long term, the company is to generate income which can be invested in more research (UiO 2006c).

Birkeland Innovation is an example of how more features of the entrepreneurial regime have emerged. Given how the company is organised and the process of making research profitable, more external stakeholders are involved in the process of developing research carried out at the University. These external stakeholders possess economic influence to the extent that they make financial commitments that can be withdrawn. There is also a political foundation for their influence as the external stakeholders select which patents to develop. Establishing a company such as Birkeland Innovation represents a method of reducing the risk involved in the attempts to create income from intellectual property. Spin-out companies need the skills of buying, selling and negotiating in order to succeed – skills that are held by external stakeholders in the University and not necessarily by any internal stakeholders, e.g. the academics. If Birkeland Innovation contributes to improving its commercial ability the spin-out survival rate may increase and as such cooperation with the company and its partners – and thus commercialisation – is regarded as an opportunity rather than a threat. The Government has also exercised political influence by making amendments in the act on rights concerning inventions made by employees.

---

26 The establishment was linked to the fact that the Government changed the act concerning the right to inventions made by employees in 2002: Ot.prp. nr. 67 (2001-2002) Om lov om endringer i Lov av 17. april 1970 nr. 21 om retten til oppfinnelser som er gjort av arbeidstakere.

Stance towards Students

The University’s stance towards students has undergone some substantial changes during the last few years – changes that involve the presence of more characteristics of the entrepreneurial regime. Students have obtained contractual rights as individuals which have contributed to more political stakeholder influence in the University and the university administration. The perception of students as consumers is also present, springing from the University’s increased focus on competition. The following examples will illustrate this development.

In 2001, the University, through the Collegium, adopted a mandatory “Service Declaration” as part of their work on study quality. This formed part of a follow-up of the national Quality Reform (cf. Chapter Five). The declaration described the students’ rights and obligations regarding studies and education, examinations, the working environment, student welfare, information and services and the academic community. The University regarded the mandatory study contracts mainly as an administrative instrument for, on the one hand, observing student progression and on the other, linking curricula and regulations on examination (UiO 2003). Here, the institution’s main aim was to demonstrate the mutual obligations between the institution and its students. The students’ formal rights were made explicit and each student now represents him/herself rather than a student organisation. Access to voting influence was still intact because of their continued right to representation on boards at all levels. Accordingly, students are also regarded as participants according to the bargaining regime even though this is not emphasised in any of the reviewed documents.

Moreover, because the University was experiencing – according to the university director – more competition for students, especially from foreign higher education institutions, students and their economic importance to the University were much more in focus (Annual Report 2000). One way of handling this was to offer relevant study programmes of high quality in order to attract students (Strategic Plan 2000-2004). In sum, students are to a larger extent than before regarded as customers exercising political and economic influence – characteristics of the entrepreneurial regime. The reason for this is that, on the one hand, students have obtained rights as individuals and can thus use their political influence to affect the administration. On the other hand, the number of students and student flow affect budget allocations – a factor which is further discussed below – and accordingly, they exercise economic influence.
In 2002, public treasury tools were changed once again when the Government introduced a new financing model which moved the system further away from tied to block grants. As shown in Chapter Five, the national model was, and still is, constituted of three components. First, approximately 60% of the allocation comprises a basic component mainly based on historical conditions such as distinctive institutional features and long term political priorities. Second, the educational component (25%) considers student credit production, the number of graduate students and international exchange students. Finally, the research component (15%) is partly strategic – the only tied part of the grant – and partly based on performance linked to the number of doctoral candidates, research funding and publications. However, the University argued that – compared to the other higher education institutions – they would receive the lowest allocations in terms of the basic component (UiO 2003). The University of Oslo claimed to have a special responsibility, and hence higher costs, for maintaining a multitude of study programmes and research communities. Between 2003 and 2006, the actual allocations as part of the basic component ranged from 52% to 56%. Correspondingly, the education and research component varied between 20% to 22% and 24% to 26%, respectively (UiO 2006a).

With this point of departure, the University made some local adjustments when applying the model for internal allocations. First, greater significance was attached to the basic component in order to reduce the risk of fluctuating income at the faculty level. Yet, the University wanted to make sure the incentives would make a difference, for instance on student flow. Until 2003, the University experienced that students produced a decreasing number of credits each term. When this trend turned, one result of the new model, i.e. the educational component when applied to internal allocations, was that the faculties received additional grants according to their share of the increased number of produced credits – and vice versa (Collegium minutes 01/6279/2003). The research component was also designed to make the allocations more predictable by modifying and adding some elements. The faculties have the final responsibility of reallocating the resources to departments and various disciplines – even taking small disciplines into considerations by using cross-subsidisation (UiO 2003). The extended use of block grants and an intensified emphasis on performance indicators implied further evolvement towards the entrepreneurial regime compared to the

27 It is a question of research funded by the EU and the Research Council of Norway.
previous period. Internal stakeholders such as faculty boards and deans have increased opportunities to exercise economic influence in the sense that they, for instance, can affect their budget situation through the work on student flow. Students, here as internal stakeholders, have also gained economic influence due to the use of performance indicators tied to the student flow, more specifically to their production of credits. Yet, it is questionable whether the students are capable of applying this influence to influence for instance the content of the study programmes to much extent. For the University, it has become very important to ensure that students do not drop out but finish their education there.

Authority Tools
In 2002, the Parliament made some changes in the Act of 1995 with implications for the authority tools in use. These were continued in the most recent law, the Act of 2005 relating to universities and university colleges. As noted in Chapter Five, the University now gained the authority to discontinue and establish courses and study programmes. The University Board\(^{28}\) decides on study programmes of 60 ECTS and more and those programmes that lead to a university degree. The faculties have the authority to establish study programmes of less than 60 ECTS that form part of further education or an exchange programme with foreign institutions. The faculties can also make changes in the existing study programmes (UiO undated).

The law still regulated the internal organisation structure but the higher education institutions were given more options than before. From 2004, the University Board adopted a new organisational structure for the University giving the University Board and other boards an even more strategic role than was the case in the previous period. The changes also involved the implementation of unitary leadership at the faculty and department levels – which are regarded as changes in the internal organisation and thus discussed below. However, the changes also implied extended authority for the deans who now have the overall responsibility for administrating, controlling and running the faculties. The heads of department have the operational responsibility (Annual Report 2003). This is in contrast to the former dual leadership with academic leaders and office managers neither superior to the other. Accordingly, the academic leaders have gained relatively more voting influence, but also more political influence through their strategic role, i.e. formulating plans and setting priorities. Put differently, the University had more authority

\(^{28}\) The Collegium changed its name to the University Board in 2003.
delegated from the Ministry on decisions concerning their *internal organisation*. Accordingly, the University Board now decides on how to organise the academic activities (Bernt 2006). The University Board with its internal and external stakeholders wield more voting influence which they gained at the expense of the Ministry.

In sum, the University can now act in an environment less regulated in detail and more by basic laws. This implies the presence of more characteristics of the entrepreneurial regime and fewer of those of the welfare regime. The more *authority* the University is delegated from the Ministry, the more voting influence the internal stakeholders can exercise. Accordingly, national authorities are not as involved to the same extent as the external stakeholders.

**Internal Organisation**

The University’s *internal organisation* has gone through several changes during recent years, changes which illustrate the emergence of features of the entrepreneurial regime. One consequence of the law amendments in 2002 was that the number of external members on the Collegium increased from two to four. An internal committee finds candidates who are accepted by the Collegium and the Collegium Council and the Ministry makes the final appointments. The aim of extending the number of external members was to ensure that the Collegium acquired increased qualifications from the outside and that it picked up impulses from public administration, cultural life and business and industry. At same time, the total number of members in the Collegium was reduced from 13 to 11 – at the expense of the academic representatives. In total the internal stakeholders’ voting influence was reduced even though the academics still have four members – one of whom is the elected rector functioning as chair of the board. Through the Act of 2005 the University was given the option of deciding to elect or appoint its rector. The University chose the first option; i.e. they continued as before. A few years earlier, the Collegium had also decided to discontinue the Collegium Council as of 2003 – a body which was no longer mandatory. This decision reduced the political stakeholder influence of all internal stakeholders. This evolvement led to the presence of more elements of the entrepreneurial regime and less focus on formal consultations and participation. However, the combination of elected internal stakeholders, i.e. academics, students and technical-administrative staff, and publicly appointed external stakeholders as collegium members also indicates a mixture of the bargaining and the welfare regimes, respectively. External stakeholders as a group gained voting influence in the top decision-
making body of the University at the expense of the internal stakeholders. They still do not, however, hold the majority.

The national law amendments made in 2002, also gave the University the option of choosing how to design their internal organisation system. The University decided to continue the three level governance structure – having department, faculty and university boards, cf. Chapter Five – as the main principle even though other options are available. According to the main rule of the University Board, both deans and heads of department are elected. However, appointing them is an option according to the University’s own – and the national – regulations. Furthermore, according to the internal regulations every faculty board has to have two or three external members whom the rector appoints according to recommendations from the faculty board (UiO 2004/2007). Accordingly, these external stakeholders hold voting influence at the faculty level by virtue of their seats in a decision-making body. As an illustration, the faculty board at the Faculty of Medicine has two appointed external members. Traditionally, both members have had important positions within the health sector, e.g. as directors and/or chairs of boards in health enterprises.

There are also several examples of changes in the internal organisation at the faculty and department levels. Despite the fact that the University chose to have elected leaders at the faculty and department level as the rule, appointing leaders for a fixed term of four years was also an option (UiO 2004/2007). At the Faculty of Mathematics and Natural Sciences, on the one hand, most departments have kept an elected head of department. The Department of Geosciences is, however, one exception – with an appointed head of department. At the Faculty of Humanities, on the other hand, all heads of department except one were appointed as of 2005 (HF-aktuelt 2008). When the Board of the Faculty of Humanities discussed the system with appointed leaders the dean argued that the use of appointments would make it easier to assess the candidates’ leadership abilities as well as their motivation for the job. Furthermore, it was expected to increase the number of candidates to be evaluated as applicants from outside the University (Memo from the dean 19/2004). This demonstrates how the idea of strong leadership has entered even the more classical academic disciplines. The principle of appointed heads of department was not, however, introduced without resistance. It was mainly the senior professors who spoke out – in the so-called “professor rebellion” – arguing that the changes represented neo-liberal ideas foreign to the core academic activity of the University and would cause a major democratic deficit.
(Avelin 2004, Nickelsen 2004). The label “professor rebellion” referred not only to the contemporary stance of the participants, but also to the fact that they had taken part in the student rebellion in the 1960s and early 1970s.

A system with appointed external members to the faculty boards and appointed heads of department are examples of the entrepreneurial regime. The emphasis on strong leadership is also in accordance with such a regime. It is a decentralised system where decision authority on what kind of leadership structure the faculties and departments want to apply is delegated to the body in question – given that they act within the regulations given by the University Board. More voting influence has accordingly been assigned to these decision-making levels. Participation and elected representatives have lost importance and characteristics of the bargaining regime have hence been weakened to the advantage of the entrepreneurial regime.

Assessment

The Government’s use of performance indicators and output control continued as modes of assessment also during this third period. The indicators were applied to more activities than before and their connection to the size of public allocations was strengthened (cf. the discussion on treasury tools above).

Additionally, the establishment of the Norwegian Agency for Assurance in Education (NOKUT) introduced a new tool of assessment in the accreditation of higher education institutions. As discussed in Chapter Five, accreditation is an input oriented tool and accordingly rooted in features of the welfare regime and not a neo-liberal output oriented instrument of control. The following section briefly discusses how the University has adapted to these changes.

The latest law amendments require the University to establish systems for quality assurance which NOKUT has to approve in order for the University to keep its accreditation. NOKUT thereby acted as an external stakeholder with voting influence. In the late 1990s, the University argued explicitly that they wanted to be prepared for the national regulations on study quality and quality assessment, which they assumed were soon to be adopted. The reason was that they wanted “a system that, first and foremost, meets our own interests and fills our own needs, and which might have significance for the Ministry’s further work in this field” (UiO 1999b:3, my translation). In this process, the University has had increased focus on study quality in the sense that they, for instance, broadly discussed how to retain enrolled students and how to improve student flow, especially at master level. The Collegium had delegated the responsibility and authority for study quality to the faculties (UiO 2002).
The principle of delegating responsibility and authority from the University Board to the faculties continued, although the former had the overall responsibility for supervising the system, making sure it served its purpose and that it was developed according to the needs of the University. However, the University argued that they had wanted to establish “a common understanding of what study quality is and what the institution’s responsibility for study quality involved” (UiO 2004:3, my translation). One way of taking on this responsibility, was to make sure that study quality was incorporated in both planning and the governance and management structure (UiO 2002). This involved centralisation and a more pronounced involvement and participation from the top despite the previously discussed continuous decentralisation that was taking place at the same time.

6.4.1 A Decentralisation Process – and Ideas of Strong Leadership

During this third and final period, more authority was decentralised from the Ministry to the University. The analysis has shown that compared to the previous periods fewer characteristics of the welfare regime are found whereas there are more of those of the entrepreneurial regime. As a result of the introduction of unitary leadership, academics now have the overall responsibility for the University’s activities. This can be one reason why leadership qualifications are given such significance as discussed above. The internal stakeholders, here represented by the deans and heads of department have, on the one hand, gained considerable voting influence during this process. When the University discontinued the College Council several internal stakeholder groups, among them the deans, on the other hand, lost an arena for access to political influence. As noted above, the latest Act of 2005 relating to universities and university colleges gives the University several options when it comes to organising the internal decision-making structure. The faculties have adopted different solutions and there are even variations within one and the same faculty. Accordingly, the voting influence of internal stakeholders, for instance the heads of department, varies between disciplines also when these are within the same faculty even though this is not always the case. The option of appointing rather than electing heads of department complicates the impression of how the influence of the internal stakeholders has evolved. The more appointed department heads, the fewer academics are involved as internal stakeholders who exercise voting influence. As discussed above, there is a
tendency to appoint leaders at a growing number of the University’s departments.

The influence of the students has been subject to considerable change during this final period. They maintain their voting influence but their participation in decision-making bodies was not much touched upon in the documents analysed here. The University called, on the other hand, attention to competition and the new role of students as customers – features of the entrepreneurial regime. Accordingly, the students’ economic and political influence was highly emphasised. Ideas of marketisation have also been present in other activities in which the University has taken part. During the second period, as noted, it seemed as if the idea of the commercialisation of research was more acceptable than it had been before. External stakeholders such as private companies have increased their economic and political influence. Cooperation with private businesses on establishing spin-outs by means of e.g. Birkeland Innovation or the Oslo Innovation Centre, agreements on cooperation on research and supervision were given as examples above of how this has become possible.

The University has continuously displayed the presence of cultural values during the 40 years examined in this study. Recently, the utility values of the entrepreneurial regime have, however, also appeared – coexisting along with these cultural values. As a consequence of this development, external stakeholders have obtained the possibility of exercising political influence on study programmes at the University. Specific examples of such interaction have, however, been difficult to find.

Despite more focus on the commercialisation of research and increasing externally financed activities the Parliament and the Government are still the most important external stakeholders who exercise economic influence. This is due to the size of the grants and the public responsibility for higher education institutions in general and the University of Oslo in particular. National authorities have, however, reduced their voting influence in matters of a more detailed character. Authority has been delegated from the Ministry to the University Board which again has delegated some of their power to underlying bodies. The authorities make extended use of less detailed laws where the University is assigned more freedom of choice – though within specified frameworks.

The emergence of the outlines of an institutional legacy during the second period, seems to have taken root in the University in this third period – among other things the idea of strong leadership and thus also the entrepreneurial
regime. The mix of cultural and utility values as described above also forms part
of this perception. This opens, on the one hand, for increased voting influence
for academic leaders. At the same time, external stakeholders – not counting
public authorities – also exercise voting influence on more issues. This external
influence has been reinforced not only by the increased number of appointed
external members to the University Board, but also by the University’s
commitment to cooperation with private businesses and the commercialisation
of research through Birkeland Innovation and the Oslo Innovation Centre.

To sum up, the following figure illustrates stakeholder influence during
this third period.
### Figure 6.3 Stakeholders and the foundation for their influence at the University of Oslo, 1998-2006.

<table>
<thead>
<tr>
<th>Voting Influence</th>
<th>Up to mid-2003</th>
<th>From mid-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Stakeholders:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The Collegium/University Board</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- Academics, students and techn.-adm. staff</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- Faculty and department boards</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- Elected deans and heads of department</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- Appointed heads of department optional</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>External Stakeholders:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- External members of the University Board</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- External members of the faculty boards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The Parliament</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- The Ministry</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

| Economic Influence                                                               |                |               |
|----------------------------------------------------------------------------------|                |               |
| **Internal Stakeholders:**                                                       |                |               |
| - Students                                                                       | x              | x             |
| **External Stakeholders:**                                                        |                |               |
| - The Government                                                                 | x              | x             |
| - The Parliament                                                                 | x              | x             |
| - The Ministry                                                                    | x              | x             |
| - The municipality of Oslo                                                       | x              | x             |
| - Businesses                                                                     | x              | x             |
| - Students                                                                       | x              | x             |

| Political Influence                                                              |                |               |
|----------------------------------------------------------------------------------|                |               |
| **Internal Stakeholders:**                                                       |                |               |
| - Decision-making bodies at the University                                      | x              | x             |
| - The Collegium Council                                                          |                |               |
| - Students                                                                       | x              | x             |
| **External Stakeholders:**                                                        |                |               |
| - Businesses contracting research and taking part in student projects            | x              | x             |
| - Businesses taking part in commercialisation of research                        | x              | x             |

### 6.5 Summary of Chapter Six

This section gives a short overview of the main trends and patterns in the evolvement of stakeholder influence at the University of Oslo from 1965 to 2006. Comparing the situation in 2006 to that of 1965 we find more stakeholders, including non-public, whose foundation for influence was
economic. In the beginning, national authorities, and especially the Ministry of Education, had a large say in the budget process. This is still the case as public allocation continues to be the main source of funding.

The examination of stakeholder influence at the University of Oslo shows that it has evolved in three phases – during which characteristics of the entrepreneurial regime can be traced back to the latter part of the first period, 1965-1986. However, the most salient feature was the introduction of expanded participation in decision-making bodies – a feature of the bargaining regime. The second period, 1987-1997, comprised a mixture of all four regimes but characteristics of the bargaining and expert regimes lost increasingly more terrain. The third period, 1998-2006, was characterised by an increasing number of features of the entrepreneurial regime at the expense of the welfare and bargaining regimes. The following reviews the main developments within these phases.

**Democratisation**

During the first period, the University of Oslo went through a substantial democratisation process that dispersed voting influence among more internal stakeholder groups. The University experienced a period characterised by the expansion of student numbers and a subsequent student rebellion. The professors no longer had the prioritised right to take part in decision-making processes. This trend continued during the second period as more internal stakeholders, i.e. students and lecturers became eligible for elections to the Collegium and the faculty boards and hence gained voting influence. Tied grants and detailed regulation were the main principles of the orientation of the treasury and authority tools of the national authorities. The Ministry did, however, make some changes in the budget system which gave the decision-making bodies of the University voting influence. At the close of this period, the University established the Oslo Innovation Centre in cooperation with the municipality of Oslo and the Norwegian Industrial Association. The institutional legacy of the University was initially described as a system where professors and the Ministry exercised voting influence. From the mid-1970s, groups of internal stakeholders were extended to also include students and lecturers.

**Emerging Decentralisation**

The second period was also a time characterised by the decentralisation of more authority from the Ministry to the University. As a result, more internal
stakeholder groups achieved voting influence. National authorities, however, retained the major responsibility and authority due to the detailed orientation of many of their authority tools. Despite this fact, more features of the entrepreneurial regime appeared during this period. These characteristics were now also found on the structural dimension, e.g. the orientation of treasury tools and assessment and not only in the responses to demands on higher education as was previously the case. The University continued to open up to the outside world. In this respect, their satellite activities had increased in importance even though these activities were at first contested within the University. During this process, resistance to the commercialisation of research gradually decreased. Students could add economic influence to their existing voting influence due to the introduction of contracts between the master students, their supervisors and the University. The Act of 1995 granted external stakeholders seats in the Collegium. At the same time, there was a focus on leadership and management skills. In a new orientation of the treasury tools and assessment, the Ministry emphasised the importance of incentives and performance indicators. The institutional legacy of the University was in transition as more factors were incorporated; i.e. management and leadership skills, external stakeholders as members of the Collegium and cooperation through satellite activities, but these factors were not yet fully integrated.

**Decentralisation – and Ideas of Strong Leadership**

Features of the entrepreneurial regime became more prominent during the third period. Decentralisation of voting influence and a belief in management based on leadership skills rather than more general academic merit was thus emphasised. Students increased their economic influence as the University implemented the mandatory service declarations. Students were regarded as customers with contractual rights as individuals rather than as merely having participatory rights as members of the University. In 2002, the Government imposed a new funding system which was built on the previously introduced principles of incentives related to for instance the University’s credit production. Increasingly more departments chose to appoint rather than elect their deans when the option became available in 2003. Those involved in the “professor rebellion” opposed this development, but their standpoint was disregarded. The analysis demonstrates that the University began to regard research as a tradable good, as illustrated by the following examples. The activities of the Oslo Innovation Centre steadily increased. The scale of cooperation with external stakeholders increased compared to the situation
when it was established more than 20 years ago. As part of this development, Birkeland Innovation was established as a Technology Transfer Office in 2004, after the effectuation of changes in national law regulating the rights to innovations made by employees. Ideas of strong leadership and the subsequent increased voting influence of academic leaders seem to have been integrated in the institutional legacy of the University.

Figure 6.4 shows a summary of stakeholder influence – voting, economic and political, respectively – for actors relevant to the University of Oslo. The figure makes it possible to compare the three periods covered in this study.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Political influence</td>
<td>The Collegium: Before 1974: professors After 1974: academics, students and tech.-adm. - Faculty Councils - Other HEIs - The Medical Association - Student organisations</td>
<td>- The Collegium - The Collegium Council - Faculty Councils - The Medical Association - The Norwegian Industrial Association</td>
<td>- The Collegium/ University Board - Faculty Councils - Regional and local businesses contracting teaching and research - Businesses taking part in commercialisation of research</td>
</tr>
</tbody>
</table>

Figure 6.4 The University of Oslo: Stakeholder influence between 1965 and 2006.
Chapter Seven
Stakeholder Influence at Telemark University College – and its Predecessors

7.1 Introduction

This chapter deals with local practice at Telemark University College and its predecessors before the merger of 1994, i.e. Telemark Regional College, the College of Engineering, the College of Education, and the College of Nursing and Social Work Studies. From 1976 until 1994, Telemark Regional College Board had the overall responsibility for these colleges as they each gained status as higher education institutions.

The aim of this chapter is to answer the first research question with regard to practice; which norms and structures for stakeholder influence in higher education policy and practice have developed during the period 1965-2006? It investigates the institutional legacy of stakeholder influence in higher education practice at Telemark University College.

The chapter starts with an investigation of all the institutions’ expressed cultural and utility values, followed by a discussion of their responses to demands on higher education, etc. This method of presentation has been chosen rather than presenting each college individually because it sharpens the focus on the study of the historical legacy of Telemark University College. Furthermore, it parallels the periodisation applied in Chapter Six to the investigation of the University of Oslo. Before starting on the analysis of the first period, the following section briefly reviews a few facts and gives background information about Telemark University College and its predecessors – the individual colleges.

7.2 Background Information

Telemark Regional College opened in September 1971 offering courses in Business Administration. Its establishment was a consequence of the proposals made by the Ottosen Commission discussed in Chapter Five. The previous year, the Ministry had appointed a College Board that was composed of members of Parliament as well as academics from the University of Oslo and Bergen (Annual Report 1970). The Regional College was eventually located in the small inland community of Bø, which at that time had fewer than 4,000 inhabitants.29 Intense regional and national disputes preceded this choice of

29 In 2006, Bø had 5,300 inhabitants.
location. One of the main advocates for Bø was the rector at the local gymnasium, in alliance with the Nynorsk (literally new Norwegian) Language Association. Other regional actors wanted to locate the college in one of the two major cities in the county of Telemark: Skien or Porsgrunn. However, the choice of Bø was seen as advancing regional development not only with regard to small cities but also smaller communities. As such, the choice of Bø was strategically important (Nymoen 1973). In 1963, the Norwegian School of Economics and Business Administration in Bergen started offering courses in Business Administration in Skien. Course activity expanded, leading up to the establishment of the Regional College, which took over the business courses provided in Skien. The new college developed the courses in close cooperation with the Norwegian School of Economics and Business Administration. However, the Regional College wanted to retain the independent right to accredit the two-year course (Ottosenkomiteen 1967).

In 1972, the education of engineers started as a technical college in Porsgrunn – one of the major cities in the county with its 31,650 inhabitants. The Porsgrunn area was, and still is, where we find a major concentration of the process industry in Norway. In the mid-1970s, the petrochemical industry additionally led to large investments and construction work in the area. Companies of national importance, as well as their research centres, for instance Norsk Hydro, settled in Porsgrunn and its neighbourhood. When it came to the responsibility for educating engineers, Telemark County and its chief education officer functioned as a Board until 1977 when Telemark Regional College Board was assumed responsibility.

In 1977, the College of Education in Notodden (TLH) was established as a result of the merger of Notodden Teachers College and Notodden Teachers College in Arts and Crafts. Notodden was one of the smaller towns in Telemark with its 13,000 inhabitants in 1977. In 1975, when the act relating to teacher education came into force, these colleges obtained status as pedagogical higher education institutions. It remained a vocational education institution with strong ties to primary and lower secondary school (Karlsen 2005). The study programmes offered in Notodden were general teacher education, pre-school teacher education and specialist teacher education in arts and crafts (Halvorsen and Risnes 2003). The period following this transition to a higher education institution was an expansive era for the College of

---

30 In 2006, Porsgrunn had 33,550 inhabitants.
31 The author’s translation for Notodden offentlege læarskole
32 The author’s translation for Statens læarskole i forming, Notodden
33 In 2006, Notodden had 12,300 inhabitants.
Education. Not only did they offer an increasing number of study programmes, the Government also decided to expand the timeframe of the teacher education, making it a three-year study. On the one hand, the inclusion of the College of Education on the Regional College Board implied more local freedom within given frames. On the other hand, it involved some regional centralisation and coordination of the vocational colleges (Karlsen 2005).

In January 1986, Telemark College of Nursing became part of the regional higher education system. The College was located in Skien (47,000 inhabitants), the city which was also the home of the district general hospital in Telemark. Nursing and social work studies had, and still have to adapt to national framework curricula. Because the College did not obtain status as a higher education institution until the last year of this first period we are studying, only a few events are discussed in relation to the first period.

In 1976, Telemark Regional College Board was established. In order to consider regional educational needs as a whole, the Government introduced Regional College Boards in the early 1970s (cf. Chapter Five). Telemark Regional College Board replaced all the boards of the individual institutions. It was responsible for the development, coordination, and planning of higher education as well as the coordination of research in the county of Telemark. Promoting contact and cooperation between the individual institutions, public authorities at both local and central level, and the business sector was another obligation. Other important tasks were: preparing budget proposals, appointing staff and approving the internal management and organisational forms at the individual institutions. A review of the board minutes shows that the Regional College Board started out with what seems like vigour, i.e. it held several board meetings a year where the members discussed a broad range of issues: not only matters of high principle but also of a more general nature. However, from 1980 to 1994 when the Board was discontinued, fewer and fewer matters of principle, study programmes, and educational needs were discussed in meetings. Appointments and leaves of absence had become the main issues. Moreover, the Regional College Board merely noted items such as budgets, annual reports, and programme papers – matters that earlier had been more thoroughly discussed.

In 2006, Telemark University College had about 4,700 students and 500 employees spread on four campuses. It is among the five largest Norwegian university colleges and is located in the county of Telemark with its 166,179

---

34 Social Work Studies were later to be included.
35 In 1993, the College of Nursing was co-located with the College of Engineering in Porsgrunn.
inhabitants (2007). Telemark County – situated west of Oslo – stretches from the Skagerrak coastline to the inland mountain plateau of Hardangervidda. The University College offers a broad range of vocational training and academic subjects at both undergraduate and graduate level. The former individual colleges have been transformed into today's four faculties: the Faculty of Art, Folk Culture and Teacher Education, the Faculty of Art and Sciences, the Faculty of Health and Social Studies and finally, the Faculty of Technology.

7.3 1965-1986 Features of the Welfare Regime with Elements of the Entrepreneurial and the Bargaining Regimes

The late 1960s and the 1970s ushered in great changes in Norwegian higher education. There was a great increase in the number of students and all the individual colleges experienced the challenge of offering education in cramped quarters. As discussed in Chapter Five, the Government decided to establish regional colleges and argued for their impact on regional qualification skills. Furthermore, vocational training given in for instance technical management courses and teacher training also became part of the higher education system. Nurses’ training followed in the 1980s. The following sections investigate the evolvement of stakeholder influence in these individual colleges; it was structured according to the norm and structure dimensions of the stakeholder regimes.

Values

During this first period, on the whole the individual colleges expressed both cultural and utility values. The Regional College, the College of Engineering and the College of Nursing demonstrated utility values – a feature of the welfare regime. The College of Education, in contrast, demonstrated cultural values in adherence with the expert regime. The following examples will demonstrate these differences.

The Regional College displayed features of utility values characteristic of the welfare regime. The College developed study programmes that were in demand at both a local and a national level. In late 1976 and early 1977, Telemark Regional College developed a study programme for booksellers. Within higher education, no such study programme existed beforehand. The Norwegian Bookseller Association made an enquiry and the Ministry recommended that the Regional College carry out the work (Board minutes 49/1976). The reason given was that they already offered courses in Business Administration, Cultural
Administration, and Norwegian Language Studies, subjects presumed to be relevant for this line of business. The welfare regime was thus present due to the Ministry’s vertical steering. The planning committee was composed of three representatives from the Regional College and three from the Norwegian Bookseller Association. The Bookseller Association was also responsible for funding – which was in line with the Regional College Board’s requirement, as they themselves had no money for the planning work (Board minutes 1976 and 1977). Accordingly, the Bookseller Association exercised political as well as economic influence during the planning period. The Ministry exercised voting influence with regard to deciding which study programmes were desirable.

As stated above, the College of Nursing and the College of Engineering also expressed *utility values* during this first period. The following quotation illustrates how the College of Engineering expressed *utility values*; they stated that the development of their study programmes was based on “an analysis of society’s needs regarding future technological education and the possibilities found within the region and within the College […]” (Annual Report 1979, foreword, my translation). The College of Engineering thereby opened up so that external stakeholders like those in private businesses and technological unities at local authorities, could influence on their study programmes.

So far, this study has only revealed *utility values*. This changes, however, when we turn to an analysis of the documents from the College of Education. The overall impression of the College is that they administered knowledge and were ready to share with and include students in this community. The College stated that they “possess competence and represent values which society could not do without” (Annual Report 1985:2, my translation). In contrast to the other colleges, it was unthinkable that anyone outside the College should be allowed to determine what constituted valuable knowledge.

**Responses to Demands on Higher Education**

All the colleges in Telemark responded to *demands on higher education* by collaborating with external stakeholders both on their own initiative and as part of public policy. The intensity and proportions of this collaboration, however, varied among the colleges. Correspondingly, the analysis shows the presence of a mixture of the welfare and the entrepreneurial regimes. The College of Education carried out assignments from national and local public employers – on their request – by offering further and continuing education for teachers. This was a way for the College to implement higher education policy and thus an example of the welfare regime. The Regional College and the College of
Engineering, on the other hand, acted more in line with the characteristics of the entrepreneurial regime: opening up to the environment and considering themselves as an institution that delivered services. The following sections investigate examples of such practices and differences.

From the very beginning, the Regional College did not attempt to protect itself from the outside world as a response to demands on higher education – as would have been the case within the expert regime. On the contrary, it opened up to the environment collaborating with the local government, i.e. both at the county and municipality level, and with other higher education institutions, voluntary organisations and private companies. From 1974 and onwards, there were several projects related to small businesses; the analysis of companies and different student projects carried out in cooperation with local municipalities and businesses (Annual Reports 1978 and 1980). Governmental and private institutions contributed to both the development and the funding of study programmes as well as research projects. The Regional College participated in and initiated cooperation in a more pro-active way than one would have expected within a welfare regime and their response is therefore interpreted as characteristic of an entrepreneurial regime. The fact that the Regional College also initiated and/or took part in the establishment of several research institutes emphasises this point.

The planning and establishment of a study programme in sports may illustrate the service attitude and the presence of the entrepreneurial regime and the idea of delivering services. The first request came from Telemark Sports Association; they referred to their own need for training and courses, i.e. local needs. The Norwegian School of Sport Sciences and the municipal sports committees in Telemark County supported the project. In 1981, the one-year study programme started and an additional two-year programme was established the following year (College Council minutes 1980-1981). The institution seemed eager to deliver services to meet local and regional needs and requirements. Accordingly, this falls in with features of the entrepreneurial regime. The institution acted with flexibility and responsiveness to demands placed on them by external stakeholders who exercised political influence on course contents and the composition of study programmes that the College offered.

The analysis of data concerning the College of Engineering shows that they displayed much the same attitude and response to demands on higher education as Telemark Regional College. The following examples illustrate the early
presence of the entrepreneurial regime due to the interest in cooperation with external stakeholders and the idea of regarding education as a service.

When the College of Engineering developed existing study programmes or established new programmes, they included external stakeholders who then influenced the content and composition of these programmes. In the late 1970s and early 1980s, a regional planning committee was established to create a study programme for higher technological education (graduate engineers) in Telemark. Both internal and external actors – with regard to the College – were members of the committee, for example county officials such as the mayor of Porsgrunn, the rector at the College of Engineering, and finally, one of the external members of the Regional College Board who was also the director of Norsk Hydro (Regional College Board Annual Report 1981).

The late 1970s and onwards was an expansive period for the College of Education. The College cooperated with external partners who were involved in education in some way or another. A response to demands in terms of delivering further and continuing education for teachers is interpreted as implementing public policy rather than as serving society as a whole as it was a task imposed on the College and thus represents the presence of features of the welfare regime. Examples of partners mentioned in minutes and annual reports are the Folkeuniversitetet (cf. The Open University, offering evening adult education), the Norwegian Training Centre,36 and folk high schools in neighbouring municipalities, all of which are non-profit organisations involved with education at different levels. The College also cooperated extensively with the National Centre for Continuing Teacher Education and Courses37 which financed several courses given to teachers in Telemark. Furthermore, municipalities and county education authorities were also important partners for carrying out further and continuing education tasks (Programme papers 1980-1986 and College Council minutes 26/1978, 42/1982 and 60/1986). Most of these collaborators were governmental agencies, cooperation with whom implied implementation of public school policy.

Stance towards Students
The examination of the documents concerning this first period reveals few examples of the different colleges’ stance towards students. One exception is statements made by the committee, Behovsutvalget, which examined the regional labour market’s need for educated employees and how the colleges could meet

---

36 The author’s translation for Norsk Opplæringssenter (NOS)
37 The author’s translation for Statens lærerkurs
the demand for higher education. Here students were regarded as people who could be turned into qualified labour (Haugland 1977). Accordingly, the main task of the student was that of qualifying for a job – a feature previously described as an aspect of the welfare regime. Otherwise, there is little information concerning the colleges’ views on students.

*Treasury Tools*

All colleges in Telemark were subject to the same orientation of *treasury tools*, i.e. tied grants (cf. Chapter Five). The analysis indicates a correspondingly strong presence of the welfare regime where the Ministry acted as an external stakeholder whose foundation for influence was economic and voting. The size of resource allocations was largely determined by the maximum number of entrance students as decided by the Ministry. A more thorough discussion of the budget situation – and how it affected stakeholder influence at the individual colleges follows below.

The Regional College Board co-ordinated and discussed budget proposals from the individual colleges before they forwarded them to the Ministry. According to national regulations, the individual College Councils were responsible for economic issues and could allocate any funds not already earmarked by the Ministry or the Regional College Board.

The Ministry’s economic influence also became visible in more specific matters such as allocations for staffing. The fact that the orientation of the *treasury tools* did not open for the transference of assets between line items without special permission further underlined this point. During this first period, several of the colleges did not receive sufficient allocations for salary expenses and the budget’s salary items were exceeded. The staffing was neither in line with studies offered nor with the curricula. Allocations for short-term employment remained insufficient. The number of study programmes and courses – all designated by the Ministry – continued to increase more rapidly than the designated established posts. In the early 1980s, there were political signals demanding retrenchments. The chosen means of retrenchment were the reallocation of posts, considering potential time-consuming teaching structures, and not hiring substitute and part-time teachers (Regional College: Annual Reports 1976, 1980, 1982, 1984, 1986). The Colleges felt squeezed and they pointed out that if they had to implement more retrenchment measures it would affect study quality in a negative way. The College of Education, for instance, had to implement 4 % savings in 1982, i.e. saving NOK 793,000 of a

The control of allocations for new buildings illustrates the level of detail with regard to the Ministry’s steering of tied allocations as a treasury tool and a situation in which this external stakeholder exercised both voting and economic influence. During the late 1970s and 1980s, all the colleges in the region reported the situation on working and teaching rooms as inadequate, the campuses being so small or scattered that the steadily increasing activities were hindered (Regional College Board: Annual Reports 1981 and 1982). In 1976, the Regional College Board, on behalf of the Regional College, passed on an application for building new facilities to the Ministry (Regional College Board minutes 1976). However, the Regional College did not receive any allocations until the early 1990s, i.e. the second period analysed below.

*Authority Tools*

All the colleges were subject to an orientation of the *authority tools* that involved rather detailed national regulations which restrained their activities. Such detailed regulations are characteristic of the welfare regime, which assigns voting influence to national authorities. The Ministry had the *authority* to approve of study programmes and to assign a given number of established posts to each of the individual Colleges. Furthermore, national authorities regulated the *internal organisation* of the Colleges and the Regional College Board by law. The Ministry had the *authority* to appoint members to the Regional College Board (cf. Chapter Five). Such centralised appointments are in line with the characteristics of the welfare regime where national authorities and especially the Ministry exercise voting influence.

The delegation of *authority* among the individual colleges and Telemark Regional College also needed clarification. When discussing its own position, Telemark Regional College Board declared that they “ought to be careful not to steer the colleges in unnecessary detail in matters of a nature that should fall under the auspices of the individual college” (Board minutes 3/1982, my translation). Rather than taking on more tasks, the Board supported the idea of delegating *authority* to the individual colleges in as many matters as they could. The appointment *authority* for substitute teachers and temporary positions for a maximum of one year is one example of tasks delegated to the Colleges. Nevertheless, as discussed above, the main problem was the limitation designated established posts and budget restrictions. In this matter, the leadership at the Colleges obtained actual voting influence, for instance
regarding appointments, at the expense of the Regional College Board. This was in spite of the fact that formally, the Board itself had voting influence whereas the Colleges exercised political influence towards the Board and public authorities.

As discussed in Chapter Five, the vocational colleges had to adapt to national framework curricula. In general, these national framework curricula restricted the authority of – for instance – all the colleges of education and thus also of that in Telemark. As an illustration, the College Council stated that they could not change missions and objectives – concerning the College of Education’s activities – as put forward in the national curricula (College Council minutes 1978). Accordingly, the College experienced the curricula as restricting their room for manoeuvre. Since these curricula were designed as frameworks, some local interpretations were possible, for example in terms of selecting the required reading. In Chapter Five, it was noted that the use of national framework curricula also could be understood as a characteristic of the bargaining regime given the participation of representatives from the academic community in the expert councils. The analysis does not support this on a local level where these framework curricula were adopted. The perception that Telemark was being regulated in detail is a more likely interpretation than that they were taking part in a bargaining and thus under a welfare regime.

In sum, these examples of strong public steering show the presence of characteristics of the welfare regime with detailed and centralised regulations. The Parliament and the Ministry were the most important stakeholders in general and the most influential external stakeholders, exercising voting influence.

Internal Organisation
During this first period, the internal organisation of the colleges in Telemark differed in some aspects and corresponded in others. The material reveals characteristics of both the welfare and the bargaining regimes, i.e. a mixture of centralised appointments and local elections and internal and external stakeholders as members of decision-making and consultative bodies. The following discussion explores this in more depth.

Telemark Regional College was the first college to obtain the status of an institution of higher education in Telemark. With regard to internal organisation, they had their own College Board which was in operation from 1970 to 1976.
From the very beginning, the five appointed external representatives held the majority. In addition, one student and the rector were members (Annual Report 1970-72). External stakeholders thereby exercised voting influence.

From 1976, Telemark Regional College Board constituted the body of highest authority among the colleges in the region in terms of internal organisation. Internal stakeholders, two academics and two students, were appointed as members of the Regional College Board. According to national regulations, Telemark County Council suggested a majority of five external members on the Board (Regional College Board minutes 1/1976). Some of the appointed external stakeholders were, at some point, also members of Parliament. According to Risnes, director and secretariat leader, the link between members of Parliament and board members was of great importance to Telemark Regional College Board (Risnes 2005). He claimed that former members of the Board who were later elected members of Parliament, paid special attention to the needs of higher education institutions in Telemark. Highly prioritised questions for the Board could be forwarded to the Parliament, for instance questions about allocations for new buildings (Risnes 2005:4). This illustrates how the cooperation with these external stakeholders was regarded as an opportunity rather than a threat.

The Regional College and the College of Engineering elected their rector. The College of Education, on the other hand, had a rector appointed for a fixed term of six years. An appointed rector led the College of Nursing. Regardless of how they were engaged in their position, they all lead their respective College Council.

All four colleges had a College Council subordinated to Telemark Regional College Board. The composition and tasks of the College Councils are important in the discussion of internal organisation. The Councils’ main tasks concerned study programmes of a duration of six months and less, principles for internal organisation and annual plans. Furthermore, they made suggestions to the Regional College Board and the Ministry on issues such as budgets, long-term plans, study programmes lasting one-year or longer, and the number of student admissions. This applied to all the College Councils.

Telemark Regional College Board minutes and College Council minutes concerning the composition of the College Councils show that no stakeholder group held the majority alone. Academics and students had about the same number of representatives. By the end of this first period, three College

---

38 These were two professors from the University of Oslo and the University of Bergen respectively, and three members of the Parliament.
Councils out of four had decided to take on external stakeholders as members. The College of Education, the College of Engineering and the College of Nursing all made a point of having appointed external stakeholders on the Councils, i.e. people who worked as teachers, engineers and nurses, respectively.

The use of College Councils as part of the internal organization structure implied a system based on characteristics of the bargaining regime despite the presence of appointed external stakeholders. Both internal and external stakeholders had political influence – especially because they formulated proposals to the Regional College Board. Compared to the situation before the establishment of the Regional College Board the individual colleges lost some of their voting influence to the Regional College Board. They no longer had the final say on a number of issues.

**Assessment**

Input control was the main orientation of the assessment of higher education institutions. At a local level, the individual colleges' and the Regional College Board's obligation to report to the Ministry via programme papers illustrates this. The programme papers accounted for the activity at the individual institutions as well as at the Regional College Board the year before. Efficiency and activities aimed at stimulating productivity were underlined. These papers are indications of the use of input control and are as such interpreted as a typical feature of the welfare regime. The chosen means were cross-institutional cooperation and coordination so that study programmes could be extended according to regional needs, though without a corresponding increase in resources used. Furthermore, the papers contained budget disposal and possible redistributions for the present year as well as budget propositions for the following year. Several paragraphs of the programme papers were incorporated in the annual report for the year in question (Programme Papers).

**7.3.1 A Strong Public Involvement Process – and Local Cooperation**

Telemark Regional College Board in general and the individual higher education institutions in particular, had administrative autonomy. However, the Ministry had two main means of control: budget and course approval and examination regulations. As shown above, all of the colleges in Telemark experienced rather tight budgets most of the time. Even though the Ministry approved new courses and study programmes, insufficient allocations meant it was not always
possible to offer these courses. With the exception of the College of Engineering, none of the Colleges were assigned a sufficient number of established posts or funds for hiring part-time teachers. On some occasions, the Ministry also appointed a specific institution to develop new courses and study programmes. Consequently, the Ministry, as an external actor, exercised voting influence. The Government and the Parliament as granting authorities were the main external stakeholders, who exercised economic influence. Other public external stakeholders also exercised economic influence – such as the National Centre for Continuing Teacher Education and local authorities. With regard to allocations, each and every one of these external stakeholders was very important. The Colleges relied on these supplementary revenues. The College of Education stood out from the other colleges in the region as it was the only one that demonstrated features of the expert regime – even though this was only with regard to one of the characteristics of the norm dimension – cultural values.

The Regional College Board, along with representatives from local authorities, exercised voting influence by virtue of being responsible for the coordination and planning of higher education in the region. However, this seems to be of a more symbolic character. The individual institutions and their College Councils defined the conditions, carried out the preliminary investigations and developed the study programmes and budget proposals. Consequently, the external stakeholders did not exercise voting influence as representatives to the Regional College Board to the extent that would have been expected. External representatives on the College Councils, whether they were from public hospitals or schools, had greater opportunity to exercise voting influence. Internal governance and management systems adhering to the bargaining regime, as shown in the discussion above, tend to favour internal stakeholders in general and academics in particular.

As shown in the case of Telemark Regional College, initiatives for new study programmes did not always come from the College, but from other external stakeholders looking for someone to fulfil their needs for education and training. Consequently, the businesses and associations in need of educational programmes exercised political influence. Furthermore, having representatives in the planning group also made it possible to influence which courses were taught and their content, i.e. giving political influence. As shown above, even non-profit organisations, e.g. Telemark Sports Association, acted as external stakeholders with political influence. The Norwegian Booksellers
Association exercised economic influence as they paid for the planning of the studies.

Thus from an early stage, external stakeholders participated in decision-making bodies at all the Telemark colleges. This can be perceived as part of the institutional legacy. Students as internal stakeholders held positions in both decision-making and consultative bodies. There is no indication that this caused any discussion or disagreement about either their participation or their right to vote in all matters. There was also a tradition for broad cooperation with external stakeholders for education and research, which also formed part of this institutional legacy.

To sum up stakeholder influence during this first period, the following stakeholders had:
159

7.4 1987-1997 The Welfare Regime with Features of the Bargaining and the Entrepreneurial Regimes

The second period is characterised by a considerable increase in the number of students who applied to the colleges in the region.\textsuperscript{39} However, the allocations for the same period did not increase correspondingly and all colleges experienced a situation with limited resources. In the early 1990s, several of the

\textsuperscript{39} Exact figures have not been found. However, the increase within the university college sector at the national level amounted to 13 \% from 1988 to 1990. There was an even greater increase the following years. Source: \url{http://www.ssb.no/vis/emner/00/aa0000/art-1999-12-10-01.html}. Since annual reports, board and council minutes mention the increasing number of students, one can reasonably assume that Telemark University College had their relative share of the increase.
colleges complained about having less and less resources per student. Despite this, the colleges in general chose to establish more study programmes and courses, of which the Ministry approved. New study programmes in child welfare and social work were established leading the College of Nursing to change its name to the College of Nursing and Social Work Studies.

A review of the Regional College Board minutes reveals that during its final years of existence, the Regional College Board held few meetings and discussed few matters of principle. This indicates that they no longer played an important role as they made few decisions of significance for the colleges in the region. Other studies also support this reasoning stating that in general the regional boards had limited legitimacy (Kyvik 2002b).

As reviewed in Chapter Five, the Hernes Commission put quality in teaching and learning on the agenda of higher education policy and practice. This was done in addition to relaunching the idea of organising higher education institutions in regional study centres cf. the Ottosen Commission. In 1994, this resulted in 98 colleges being merged into 26 university colleges. Furthermore, the subsequent reform emphasised academic development, the choice of more subjects for students and cost-efficiency for the merged institutions (NOU 1988:28).

In mid-1994, the four colleges in Telemark were merged into one: Telemark University College. When the planned merger became known, future organisation was discussed at several of the meetings in the Regional College Boards. Due to the merger, the Board was discontinued in 1994 and a new University College Board was established. Despite the merger, it remained a multi-campus institution with the Central Administration Services in Porsgrunn. The six faculties were Business, Environment and Sport Sciences, Culture and Humanities, Technology, Health and Social Studies, Art and Folk Culture and finally Teacher Education. In 1996, the first two faculties, Business, Environment and Sport Sciences and Culture and Humanities, i.e. the former Regional College, were amalgamated as the Faculty of Arts and Sciences.

From the very beginning, Telemark University College aimed at “creating a fully integrated, autonomous and cost-effective institution displaying a unified, common culture for education and research” (Annual Report 1994:3, my translation). However, the geographical distance between the different campuses was expected to delimit the possibilities for efficiency – at least in the short run.

The structure of the following discussion corresponds to that of the previous period, i.e. it delineates the composition of the stakeholder regimes
and traces events according to the timeline within each of the categories. Characteristics of the merged Telemark University College are hence presented last in each category.

Values
The analysis of the colleges' values shows that until the merger in 1994, the individual colleges presented their values in much the same way as earlier, i.e. expressing a mixture of cultural and utility values as within the expert and welfare regimes. On the one hand, the College of Education maintained the cultural values found previously. The emphasis is clear in the way the College envisaged its role of that of “a cultural mediator in a broad perspective both now and in the future” (Annual Report 1987:8, my translation). On the other hand, the College of Engineering, the College of Nursing and Telemark Regional College expressed utility values in term of fulfilling society’s need for education, just as they had done in the previous period.

These values gradually evolved, incorporating market-related ideas with ideas of knowledge and education – characteristics of the entrepreneurial regime – once the Colleges merged as one institution. The University College Board set up a committee whose mandate was to make a draft for Telemark University College’s first common strategic plan, which the University Board later adopted. Here, the University College articulated both utility and cultural values. The previous individual colleges each brought their values into the merged institution to a certain extent. This is illustrated by their focus on the student’s ability to think independently and critically – cultural values – and their belief that education should be both relevant and in demand – utility values (Strategic Plan 1996-2000 cited in the Annual Report 1995). Additionally, the University College stated that they ought to engage in contract teaching and they described teaching and research as tradable goods more explicitly than before. The analysis indicates that characteristics of the entrepreneurial regime are present. This is because, first, both cultural and utility values are clearly expressed – side-by-side. Second, the merged University College articulated utility values more in terms of market orientation – making money – and on shifting manpower needs in the region. In brief, this put both public and private external stakeholders in a position to exercise economic and political influence.

Responses to Demands on Higher Education
The colleges continued to respond to demands on higher education through their extensive cooperation with private businesses and local and regional authorities
on both research projects and tailor-made courses. The tendency to regard research as a service is evident in several of the documents produced in this period. The interpretations and adaptations that the individual colleges in Telemark and later the merged Telemark University College made during this second period with regard to demands on higher education demonstrate characteristics of the welfare and the entrepreneurial regimes. In these cooperative relations external stakeholders, i.e. local and national authorities as well as private businesses, exercised economic and political influence.

The following examples illustrate the colleges’ cooperation strategies in response to demands on higher education. The Regional College Board initiated several regional research centres\(^40\) “and established [them] in cooperation with Telemark County and consumers of research services” (Annual Report 1992, my translation). The aim of establishing these institutes was first of all to launch Telemark Regional College as a regional centre of competence in its academic fields. The R&D centres were to work in close cooperation with companies and research institutes, including the colleges and other organisations. This put both public and private external stakeholders in a position to exercise both economic and political influence.

The following examples of responses to demands on higher education institutions made by the individual colleges indicate the presence of a mixture of the welfare and entrepreneurial regimes. In the late 1980s and early 1990s, the College of Engineering, the College of Education and Telemark Regional College\(^41\) all continued their cooperation on study programmes, research and student projects with private businesses and local authorities as well as with other higher education institutions. This was also in line with the current long-term plan. Additionally, the Regional College Board argued that cooperation between higher education institutions was exactly in line with the report submitted by the Hernes Commission and the Network Norway which it planned\(^42\) (Board minutes 7/1989 and 2/1990). One way of analysing these cooperative relations is to surmise that the colleges were implementing public policy, i.e. they were cooperating with other institutions on study programmes because that was what the Government told them to do. Additionally, referring to the national policy documents could have been a way of demonstrating how

\(^{40}\) Telemark Technological Research and Development Centre (founded in 1986), Telemark Educational Research – Notodden (1987) and Telemark Research Institute – Bo (1988). Until 1988, Telemark Research Institute – Bo was constituted of three research centres: IKOS, INA and TEL-ØK.

\(^{41}\) Examples of higher education institutions with whom Telemark Regional College cooperated are the Norwegian College of Agriculture, the University of Oslo and the Norwegian School of Sport Sciences.

\(^{42}\) It was first set up in 1994, cf. Chapter Five.
good they were at putting national political signals into action – even before the Network Norway was actually established. However, evaluations of the Network Norway have stated that it had little or no actual significance (cf. Chapter Five). On the other hand, these actions can also be understood as part of a strategy of opening up to the environment in a more pro-active fashion. The Regional College Board and Telemark Regional College found arguments in national policy that legitimated what they were already doing, i.e. opening up to the outside world and cooperating with external stakeholders.

After 1994, Telemark University College’s response to demands on higher education was similar to its response before the merger to some extent, but characteristics of the entrepreneurial regime were dominant by the end of the period. There are indications that the colleges which were oriented towards the surrounding world gained general approval and approval within the University College itself. In 1995, the University College signed framework agreements with the research institutes in the region (Annual Report 1995). The intention was that faculties other than those of Technology and Arts and Sciences would also focus on contract assignments. More faculties would thereby contribute to the University College’s overall earnings. Each of the faculties continued cooperating with external stakeholders as they had done as individual colleges. Whereas the business and technology studies found partner in local business and industry, the health and social studies programmes aligned themselves with the health and social care sector. Correspondingly, the cultural studies programmes turned towards museums, cultural and handicraft organisations and galleries. Both municipality and county administrations were, however, relevant collaborators for all faculties regardless of their academic field (reviews of cooperation partners are given in the annual reports).

The University College started several new study programmes after the merger, some of which were externally financed, e.g. Working Life Science and Product Development. That is, students were charged tuition fees when they enrolled in one of the part-time study programmes. The university colleges in general have a special responsibility for entrepreneurship and innovation. This was one of the reasons given by Telemark University College for starting externally financed, part-time studies in Working Life Science and in Product Development (Annual Report 1997). It is not necessarily the students who pay the tuition fee but their employers – regarding the courses as part of further education and a way of raising qualifications. This is an example of the entrepreneurial regime where the external stakeholders exercised economic influence. Paying for the courses not only places the partner in a position to
decide whether the course is started but also gives political influence in the sense that they may have some control over course content.

**Stance towards Students**

There are few explicit examples of the University College’s stance towards students. Indications of characteristics of the bargaining regime are, however, found, i.e. regarding students as participants. The introduction of student evaluations of teaching – starting at the Faculty of Business, Environment and Sport Studies (later Arts and Sciences) – is an example of how one can encourage student involvement in the teaching process. The University College stated that they regarded the evaluations as a means of improving courses and teaching (Annual Plan 1996). In Chapter Five, it was also argued that the Hernes Commission focused on students as participants. The use of student evaluations is an example of participation, which is, however, different from the students’ participation in the decision-making bodies as discussed in relation to internal organisation. Both are characteristics of the bargaining regime; whereas participation in decision-making bodies gives the students access to voting influence, student evaluations form the basis of students’ political influence.

**Treasury Tools**

The Government continued to use tied grants linked to the number of entrance students as a treasury tool – a tool characteristic of the welfare regime. Funding continued to be a challenge for all four colleges in Telemark, at least with regard to the desired level of activity, since allocations for education did not increase. The College of Engineering for example claimed that extensive public savings in the early 1990s hindered their activities. Simultaneously, the unemployment rates increased. In line with the doctrine of full employment, cf. Chapter Five, the labour force had to be occupied – even if this implied enrolling as a student. Telemark Regional College, for instance, received specific public funding sources for job creation in order to increase the number of entrance students. However, it did not have much effect, at least not in the long run (Annual Reports 1990 and 1991). National authorities, i.e. the Government, the Parliament and the Ministry were important external stakeholders who exercised both voting and economic influence.

The Government changed some of the orientation of the treasury tools after the merger by introducing incentives related to the production of credit points. However, funding was still primarily based on the number of entrance students. Late in this period, the University College experienced a reduction in both the
number of entrance students and the number of students who finished their studies on time (Annual Report 1996 and 1997). Consequently, resources were scarce in relation to the level of activity. In order to save money several posts were kept vacant and teaching was “made more efficient” (Annual Report 1996:2). How this was carried out or what “more efficient” actually meant was, however, not reported. The University College explicitly stated that they experienced more competition and weakened returns (Annual Reports 1995, 1996 and 1997). From 1996 to 1997, the number of applicants decreased by 8 % compared to a reduction of 22 % from 1995 to 1996. Furthermore, the University College had to keep several posts vacant to save money on the salary budget where the deficit still amounted to NOK 8 million (Annual Report 1996). The University College argued that several factors could explain the lack of achievement of objectives, i.e. the difficulties attracting as many students as the maximum number given disbursement, as decided by the Ministry. First, the size of the student cohorts decreased. Second, the Ministry had increased the number of entrance students. Third, there was a labour market slump – in contrast to what had been the case in the early 1990s. Many potential students started working rather than studying (Annual Report 1997). In other words, there were just a few changes in the treasury tools, such as the introduction of performance indicators linked to the number of produced credits and publications (cf. Chapter Five). However, the University College did not make much effort to adapt very differently from what they had done before; instead they explained their lack of achievement as a result of external factors, as discussed above. Accordingly, characteristics of the welfare regime were still valid and national authorities were the important external stakeholders who exercised both voting and economic influence.

Authority Tools
During this second period, we see that Telemark University College adapted to the changing orientation of authority tools in accordance with characteristics of the welfare regime. The Ministry continued to be a major external stakeholder who exercised voting influence. National authorities retain control of the internal organisation structure through law, their appointment authority with regard to academic posts, etc. Until late 1997, the Ministry had the authority to designate established posts among the colleges. As discussed in relation to the treasury tools, all the colleges in Telemark experienced a shortage of academics that affected their level of activity. Despite the fact that the Ministry assigned Telemark Regional College eight new established posts in 1991 and then again

The Higher Education Act of 1995 affected the merged Telemark University College by transforming the national authority tools. The changes were, however, not fundamental and the tools were still in line with the welfare regime. The higher education institutions in general and the university colleges in particular, were given more decision-making authority at the expense of the Ministry. One example of decentralisation is that the Ministry delegated appointment authority for academics to Telemark University College (cf. Chapter Five). Due to this decentralisation, internal stakeholders gained more voting influence in matters of appointments. The Ministry still determined the internal organisation structure. For instance, when Telemark University College wanted to merge two faculties – e.g. Culture and Humanities and Business, Environment and Sport Studies – they had to apply to the Ministry (Annual Report 1995). To a certain extent, the characteristics of the welfare regime were weakened due to the decentralisation of authority. This reduced the Ministry's voting influence and increased that of the University College Board accordingly. Nevertheless, the applied authority tools were still detailed in their orientation.

Internal Organisation

Before the merger in 1994, the colleges in Telemark did not make any major changes in their internal organisation structure. Accordingly, a mixture of features of the bargaining and welfare regimes continued to be present. Neither were there any changes in the influence of the internal or external stakeholders. This study has revealed only minor adjustments in the number of representatives on the College Council. At the College of Education for instance, the number was reduced by 50%. Accordingly, the total amount of time spent on meetings was reduced – time that could be spent on teaching instead – without affecting the principle of employees' participation (Annual Report 1990). This was also likely a measure taken to counter the continuing problems with understaffing as discussed in relation to treasury tools above. The principle of elected internal and appointed external representatives remained as before and so did the relative number of seats for each of the internal stakeholder groups.

The Act of 1995 introduced a new internal organisation system that strengthened the features of the bargaining regime as more board members and academic leaders were elected rather than appointed. The Government dissolved the Regional College Boards in 1994 and a common University
College Board was established. All internal stakeholder groups were represented in Telemark University College Board. Additionally, the Ministry appointed three external members. The external stakeholders were for instance representatives from major industrial companies located in the area or people filling official political offices, such as mayors. The rector functioned as Chair of the Board. Whereas the Ministry appointed external representatives after the higher education institution had nominated them, the internal representatives were elected from among their constituencies, respectively.

The faculty boards that were established when the colleges merged further underlined the increased voting influence of the internal stakeholders. In 1996, department boards were also set up. The reason for this was to “ensure democratic decision-making processes, [and] strengthen the identity of the various disciplines […]” (Annual Report 1995:2, my translation). The Act of 1995 stated that internal board members and academic leaders at the institutional, faculty and department levels were to be elected. The leadership at all levels was dual in the sense that there were administrative leaders in addition to the elected academic leaders, neither superior to the other. This resulted in more voting influence to internal stakeholder, i.e. academics, who filled positions as faculty deans. These are indications of a strengthened bargaining regime and a correspondingly weakened welfare regime. In sum, internal stakeholders gained access to more voting influence due to the increasing number of collegiate bodies.

The individual college councils were continued, however, now as one joint consultative body – the College Council – handling general issues relevant for the institution as a whole. This is an example of continuing features of the bargaining regime where the internal stakeholder retained an arena for exercising political influence. Furthermore, the previous Regional College Board argued that the University College Council was important as a means of uniting the former individual colleges and overcoming their different traditions and cultures (Regional College Board minutes 4/1993).

Assessment

In 1990, result-oriented planning (ROP) was introduced and mandatory for every higher education institution cf. Chapter Five, representing a new form of assessment. At the local level, Telemark Regional College Board was responsible for seeing it carried out according to guidelines given by the Ministry.

---

43 The internal stakeholders were four academics (including the rector and pro-rector), two students, one from the technical-administrative staff.

44 For instance companies such as Norsk Hydro Porsgrunn.
Furthermore, the Board reached the decision that the individual colleges were expected to base their planning work on discussions in the Board and on the Long-term Plan for higher education in Telemark (1995-2000). Largely, the colleges regarded the plans as pure pro forma and they did not have much effect on the college in the first. Despite the national introduction of output control characteristic of the entrepreneurial regime, the Ministry retained at the same time the existing instruments of input control. Accordingly, features of both the welfare and the entrepreneurial regimes are found. Features of the welfare regime are, however, dominant which is further underlined by the colleges’ initial hesitance in adopting result-oriented planning.

From the mid-1990s, result-oriented planning was incorporated into the four-year strategic plans, which again are followed up by annual plans. The ministerial allotment letters gave guidelines for objectives and performance requirements, which are refound in the design of the mandatory annual plans. The University College had no choice but to adopt these national requirements. The annual plans were to include local aims and activities. As a result, the analysis shows that in the case of Telemark University College governmental steering through output control has increased its importance after 1994. Accordingly, this use of assessment implied emerging features of the entrepreneurial regime. Compared to the previous period, the University College gained influence since it could now decide how it would go about achieving nationally defined objectives.

7.4.1 A Merger Process

Until mid-1994, the individual colleges made suggestions for new study programmes to the Regional College Board, thus exercising political influence. The Regional College Board had the authority to make recommendations to the Ministry. The Regional College Board thereby exercised voting influence in relation to the individual colleges. However, in relation to the Ministry the Board’s influence was political. The Ministry gave the final approval, which gave them formal decision authority over regional actors. Since some authority was decentralised in the second half of the period, internal stakeholders, especially the University College Board, rector and director, gained more voting influence at the expense of the Ministry.

Analysis shows that not only the Ministry, but also the Government and the Parliament were still important external stakeholders who exercised both voting and economic influence. This was due to the orientation of the treasury
and authority tools, which continued to adhere to characteristics of the welfare regime.

Due to cooperation with other higher education institutions on both education and research, e.g. the Norwegian College of Agriculture, the higher education institutions as external stakeholders exercised political influence on the individual colleges/the University College. The economic influence of external stakeholders such as regional and local businesses was more important than before as externally financed activities were increasingly more important. The fact that some of them also bought courses gave them political influence, as the courses could be custom-made. Compared to the previous period, there were no reports on external actors, companies, or associations that requested or paid for the planning of new study programmes. The analysis shows no indication that the individual colleges or the merged Telemark University College regarded any of their relations with these external stakeholders as threatening, even though this cannot be ruled out. External stakeholders from the fields of education or nursing who had a seat in decision-making or consultative bodies were regarded as providing opportunities to the academic community in question. This was because such cooperation enabled the academics to stay in contact with their respective professions, which was regarded an advantage.

The merger in 1994 led to the presence of more features of the bargaining regime and fewer of the welfare regime. The new University College Board, with its externally appointed members, obtained increased voting influence for both external and internal stakeholders compared to the previous Regional College Board. The reason for this was that the influence of the Regional College Board was more symbolic than actual. Furthermore, internal stakeholders’ voting influence increased due to the introduction of both faculty and department boards resulting in more decision-making arenas.

The institutional legacy of external representation in decision-making bodies from the first period was sustained – along with more voting influence for the internal stakeholders. Furthermore, the institutional legacy of cooperation with external stakeholders found in the first period continued in the 1990s. This is, for instance, illustrated by the observed strengthening of features of the entrepreneurial regime with regard to the merged University College’s response to demands on higher education.

The following sums up the evolvement of relevant stakeholders and the foundation for their influence during this second period. The presentation makes a distinction between the findings before and after the merger in 1994.
<table>
<thead>
<tr>
<th></th>
<th>Until mid-1994</th>
<th>After mid-1994</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Voting Influence</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Internal Stakeholder:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Telemark Regional College Board</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>- Telemark University College Board</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>- Academics, students and techn.-adm. staff</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- Elected and appointed rectors</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- One elected rector</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- Faculty Boards</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td><strong>External Stakeholder:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- External members of the Regional College Board</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- External members of the University College Board</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- The Government</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- The Parliament</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- The Ministry</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td><strong>Economic Influence</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>External Stakeholders:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The Government</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- The Parliament</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- The Ministry</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- Telemark County Governor of Education</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- Regional and local business and municipalities contracting research and education courses</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td><strong>Political Influence</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Internal Stakeholders:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The individual college councils</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- Telemark University College Council</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- Students (student evaluations)</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td><strong>External Stakeholder:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The Norwegian School of Sport Sciences</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>- The Norwegian College of Agriculture</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>- The Norwegian Handicraft Association</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- The University of Oslo</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- National research institutes</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- Municipalities in the region</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- The Norwegian Bookseller Association</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>- Regional and local businesses contracting teaching and Research</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

Figure 7.2 Stakeholders and the foundation for their influence at Telemark University College, 1987-1997.
7.5 1998-2006 The Dominance of the Entrepreneurial Regime

The Government set up the Mjøs Commission in 1998. The Commission suggested a new degree structure, which the Government later adopted. The White Paper that followed the Mjøs Commission’s report, “The Quality Reform”, aimed to increase quality and efficiency. Quality was expected to be achieved by adopting teaching methods that encouraged students to take active part in the learning situation. Moreover, the higher education institutions had to implement methodical forms of teaching evaluation. The Quality Reform was also a management reform which implied changes in leadership and organisation as well as in the funding system. Yet another commission was set up in 2002, the Ryssdal Commission. Its focus was on institutional autonomy and academic freedom. Their mandate was to prepare one single law including both public and private Norwegian higher education institutions.

For some years, Telemark University College did not manage to enrol as many students as the maximum number of students giving disbursement designated by the Ministry. With a few exceptions, even the number of produced student credits dropped over several years before it started to rise. In 2000, the number was 49.7 credits pr student. Between 2001 and 2006, the number fluctuated between 41.3 and 44.3 a year. As a result, the Ministry reduced the maximum number of students giving disbursement. The financial situation became difficult and the University College had to focus on adjustments and efficiency.

Values

During this third period, cultural and utility values continued to be in line with the entrepreneurial regime. Telemark University College described its main goal in terms of utility values, i.e. to offer education and research services based on local and regional needs (Annual Plans 1999-2004 and Strategic Plan 2000-2004). The study programmes were expected to meet requirements for qualifications according to the needs of the society. The University College claimed that the failure to achieve such requirements was one reason for the decreasing number of students (Annual Report 1999). Examples of cultural values are found among the subsidiary goals of knowledge and education. The content of the education offered at Telemark is, for instance, expected to contribute to “the development of the students’ aesthetic awareness and their ability to think independently, critically and systematically” (Strategic Plan 2000-2005 cited in

Source: Database for statistikk om høgre utdanning (database for statistics on higher education).

171
the Annual Plan 2001:7, my translation). Furthermore, the plan emphasised aspects such as entrepreneurship, innovation and school reforms in relation to working life. These statements are in line with features of the entrepreneurial regime as the focus is on the balance between cultural and utility values. The matter of utility comes to the fore in the idea of competing in a market for education and research.

Responses to Demands on Higher Education

The investigation of the University College’s response to demands on higher education reveals that they continued to cooperate with external stakeholders, i.e. to open up to the outside world according to the entrepreneurial regime. Compared to the previous periods, annual reports and strategic plans used such terms as market, competition and agreements more often. Even though board minutes and annual reports for the University College as a whole no longer gave extensive overviews of the names of their collaborators, relations with external stakeholders were still emphasised. Moreover, the University College made a point of regional needs when discussing cooperation with external stakeholders. The following discussion presents some illustrations of such cooperation.

In the reviewed annual reports, strategic plans and board minutes, the University College focused on cooperation along with contracts and agreements, and competition in the market for education and research – indications of openness and a focus on providing services which are in line with features of the entrepreneurial regime. Regional companies and authorities were external stakeholders playing a role that allowed them to exercise political influence in the sense that they had a say when it came to affecting the content of the courses. These external stakeholders also exercised economic influence in the sense that by entering into contracts and agreements on education and research they provided financial resources.

Externally financed activities have become increasingly important. During the past years, profits from these activities have been growing. This is illustrated by the fact that, from 2001 to 2002, the scale of externally financed activities increased by about 33 % (Annual Report 2002). Compared to previous periods, it now seemed less important to report with which companies – and on what projects – Telemark University College had been cooperating.
The University College continued to cooperate with the regional research institutes as described in Section 7.4 in the discussion of the second period. The description of their relation to the institutes has changed however – they now function as the University College’s satellite activities (Annual Report 2005). This is more a question of terminology than of an actual change in relationship.

During 2002, the University College intensified its interaction with external stakeholders in the region – stakeholders that exercised both economic and political influence. One example of how the University College did this was by taking part in the preparation and implementation of the Telemark County Plan (Annual Report 2002). They also entered into a partnership agreement with the county of Telemark which has for instance contributed financially to a master’s degree in Norwegian Traditional Arts. The University College and local companies also entered into agreements securing continued cooperation (Annual Report 2003). These activities are seen as ways of opening up towards the outside world according to characteristics of the entrepreneurial regime.

Telemark University College has prepared a Plan for Communication and Public Relations as a means of achieving the main goals in their strategic plans (Telemark University College 2002). The plan illustrates how the University College can use communication in order to make their study programmes more visible and to focus on the societal benefits of their academic activities. In this respect, aspects like transparency and openness are highly valued. Furthermore, in this plan and in the latest strategic plan (2005-2009) notions like ‘more competition’, ‘demands for market adjustments and change’ have become more frequent.

**Stance towards Students**

The investigation of the University College’s stance towards students shows that there has recently been a transformation; students are regarded as consumers – a feature of the entrepreneurial regime. This feature is combined with features of the bargaining regime found in the previous period since the students’ role as participants is also emphasised. As shown in Chapter Five, the Government introduced service declarations for students through amendments of the Act of 1995 in 2002. This represents another element that supports the interpretation of emerging characteristics of the entrepreneurial regime. The “Service Declaration” gave, and still gives, guidelines for what students may expect from

---

46 Telemark Educational Research – Notodden, Telemark Research Institute – Bø and Telemark Technological Research and Development Centre.
Telemark University College. Moreover, every higher education institution had to enter into individual study contracts – as part of the Quality Reform. Telemark University College used the contracts first and foremost for information on regulations concerning examinations and to get an overview of student progression (Telemark University College 2005a). Accordingly, the contracts were primarily an administrative tool for monitoring the students and seeing whether they had passed their examinations. This stance taken towards students shows that they are perceived as customers; it emphasises contractual rights in line with the entrepreneurial regime.

The aforementioned service declaration also included a section on cooperation, democracy and participation which was linked to the Strategic Plan 2000-2004 stating that “students are expected to exercise actual influence and participate in governing the organisation” (Strategic Plan 2000-2004 quoted in Telemark University College 2000:2, my translation). This supports the claim that characteristics of the bargaining regime were still present.

Treasury Tools
The Government introduced new funding principles involving block grants and more incentive-based financing as of 2003, altering the orientation of the treasury tools (cf. Chapter Five). This transition corresponds to a change from characteristics of the welfare regime to those of the entrepreneurial regime. The following will examine how this affected Telemark University College and how they adopted to the new budget model.

The public grants were and still are constituted of three components (cf. Chapter Five). These are a basic component (approx. 60% of the total allocation), an educational component, i.e. the number of student credits produced, the number of graduates and the number of international exchange students (approx. 25%) and finally a research component consisting of a performance allocation and a strategic allocation (approx. 15%) (cf. Chapter Five). Telemark University College adopted a corresponding local budget model for allocation among the faculties. The argument was that, in order to adapt to market changes, the budget model would stimulate the faculties to make capacity adjustments and to review the study programmes they offered. The intention of the budget model was to stimulate the faculties to raise external funding (Board minutes 77/2002). According to the discussion above in relation to demands, there had already been a significant increase in external funding before this decision was made. There is no indication that Telemark University College objected to other external stakeholders gaining economic
influence – on the contrary they encouraged it explicitly. However, national authorities were still the most important external stakeholder exercising economic influence given the fact that the University College mainly relies on public grants.

The University College experienced tight budgets also at the beginning of this third period (Annual Report 1998). By the end of 2005 – after a few years of experience with the new funding model, the basic budget allocation pr. student had decreased while salary costs had increased. For several years, the University College had a decreasing number of students and the Ministry finally reduced the University College’s maximum number of students giving disbursement. In 2002, it was even decided not to start up several courses and study programmes due to the small number of applicants (Annual Reports 2002-2004, Telemark University College 2005b). As a result, the allocations went down accordingly. The production of student credits dropped by almost 17% in 2001 and stayed low in 2002, which aggravated the situation even more.

The increased use of incentive-based funding implies that characteristics of both the welfare and the entrepreneurial regimes are present simultaneously. Nevertheless, national authorities remained an important external stakeholder with voting influence affecting the orientation of the treasury tools. As shown, the Ministry designated the maximum number of students giving reimbursement – one important factor for determining the size of the allocation – and thereby held voting influence. This applies despite the fact that the orientation of the treasury tools has been redirected more towards performance requirements – such as the students’ credit production. The University College can to a larger extent than before, affect the outcome of the allocations by responding to the nationally prescribed incentives. Therefore, it is argued that they also have more voting influence. The use of allocations based on produced credits enabled the students as internal stakeholders to exercise economic influence.

**Authority Tools**

The Quality Reform and the Act of 2005 have had significant impact on the orientation of the authority tools and Telemark University College as they implied an emerging evolvement from detailed regulations towards regulation by framework. During the last few years, the University College, like all the other university colleges, has gained autonomy in several fields. From the academic

---

47 In 2000, the number of achieved credits pr student was 49.7 out of 60 ECTS. In 2001 and 2002, the number dropped to 41.3. Source: [http://dbh.nsd.uib.no/rapporter/egendefinerte/visning.action](http://dbh.nsd.uib.no/rapporter/egendefinerte/visning.action).
year 1999-2000, the institutions could establish and discontinue courses of 30 credits (ECTS) at the undergraduate level. Later on, they had extended authority to establish three-year study programmes at the bachelor level without approval from the Ministry (cf. Chapter Five). This involves a continued decentralisation and indicates a more pronounced presence of features of the entrepreneurial regime. Internal stakeholders at the University College – more precisely the University Board – have gained voting influence over study programmes. The University College still need to have their Master's and Ph.D. programmes accredited by the Norwegian Agency for Quality Assurance in Education (NOKUT) (cf. Chapter Five). This shows that national external stakeholders still exercise influence on the study programmes on the postgraduate level.

The internal organisation structure is still regulated by law but the University College may now choose between several options defined by the law. The next section discusses these options in greater depth.

Internal Organisation

The Act on Universities and Colleges of 2005, and the Quality Reform made the internal organisation structure more flexible. It became optional whether the higher education institutions wanted to elect or appoint their leaders, i.e. rector and deans. Telemark University College continued to elect both rector and pro-rector. The rector also acts as Chair of the Board. Until the academic year of 2003-2004, the University College retained a dual system of leadership at the faculty level. Additionally, the heads of department were elected. In 2003, this was changed. Deans and heads of department are appointed – from among the academics already employed by the institution – for a fixed term of four years. The law made it optional whether to continue the faculty and department boards. Telemark University College chose to discontinue both, effective from August 2003 (Annual Report 2002). Later evaluations of this organisational change have shown that the experience was somewhat mixed. On the one hand, the discontinuation of the faculty boards made it clearer who was responsible for what, and decision-making was faster (Statskonsult 2006). On the other hand, a majority of the academics wanted the faculty and department boards reintroduced in order to ensure participation and access to decision-making arenas; i.e. to hold on to their voting influence (Board minutes 100/06). These statements correspond with principles of efficiency as well as the belief in strong leadership as advocated by New Public Management (cf. Chapter Two). Correspondingly, and compared to the previous period, there are more characteristics of the entrepreneurial regime during this period at the expense of
the bargaining regime of which just a few features remain. An example of the bargaining regime is that both rector and pro-rector are elected. Furthermore, groups of internal stakeholders are represented on the University College Board. The Board decided to discontinue other collegiate decision-making bodies and replace them with management groups. This focus on management rather than on the broad participation of several stakeholder groups corresponds with features of the entrepreneurial regime. As a result, fewer internal stakeholders, academics, students and technical-administrative staff have access to voting influence.

The use of ad hoc groups related to specific projects has been a way of creating arenas where internal stakeholders could exercise political influence. The use of specially appointed project groups preparing the strategic plans (2000-2005 and 2005-2009) illustrates this point. Much work has been carried out preparing these strategic plans, both by the academics and by the administration. In addition to the specially appointed project groups, the faculties and different committees were involved in making suggestions – before the Board adopted the final plans (Annual Report 1994, Board minutes 129/1998 and Telemark University College 2006a). However, rector, directors, deans and one student representative were the mainly constituents of the project groups, thus giving political influence to actors already in a position to exercise voting influence in other arenas. For the students, dialogue meetings at the faculty and department level, where the management group met with student representatives, were the only channels of influence other than the University College Board (Telemark University College 2006a).

Assessment

The Government extended their assessment by requiring reports on goal achievement and the use of performance indicators. This use of output control is an indication of characteristics of the entrepreneurial regime. However, assessment through input control was still used (cf. Chapter Five). The following illustrates the new forms of assessment added to the previous ones.

Like every higher education institutions, Telemark University College was, and still is, subject to a mandatory system for quality assurance of which NOKUT approved. Accordingly, NOKUT acted as an external stakeholder who exercised voting influence. The University College has drawn up a manual for quality assurance (Telemark University College 2006b). All faculties were subject to the same standards and regulations for monitoring the quality of their study programmes. Every course was supposed to be evaluated using the
Internet at the end of the term. Such standardisation implies that it was the internal stakeholders at the management level, i.e. the appointed deans and heads of department, who essentially exercised voting influence.

7.5.1 A Local Centralisation Process

The changes in internal organisation structure and the introduction of a new national budget model implied more autonomy and increased voting influence for internal stakeholders. The internal stakeholders, i.e. the appointed deans and heads of department, have attained more room for manoeuvre at the expense of the Ministry. Furthermore, Telemark University College has for instance gained more voting influence with regard to the right to decide on the composition of study programmes. This is because they no longer need approval from the Ministry to start or discontinue courses and programmes at the bachelor level. External stakeholders, however, still have voting influence on matters such as study programmes. This is because the University College Board – where external stakeholders have a seat – has the final word.

National authorities were, as previously, important external stakeholders who exercised both voting and economic influence. Nevertheless, they now have a somewhat more withdrawn position with regard to governing how Telemark University College chooses to achieve the goals set by the Ministry.

Compared to the second period, internal stakeholders – academics, students and technical-administrative staff – have experienced reduced voting influence. Their political influence did, however, increase. This is because the University College Board replaced decision-making bodies at the faculty and department levels with consultative management groups. As a result, the appointed deans and heads of department gained voting influence at the expense of academics, students and technical-administrative staff in general. The management argued that the rights of these groups were ensured through joint consultations.

Students as internal stakeholders have lost voting influence due to the discontinuation of the faculty boards. The University College has increasingly described students as consumers – a change which gave students political influence as individuals. The national introduction of mandatory service declarations and the more general focus on students as consumers contributed to this transformation.

The institutional legacy in terms of the participation of internal stakeholders in decision-making bodies was disrupted due to the
discontinuation of the faculty boards. On the other hand, external stakeholders still have a seat in the University Board as have the internal stakeholders. The institutional legacy of cooperation with external stakeholders, i.e. both businesses, county representatives and municipalities in Telemark, continued throughout this third period. The reasons for cooperation are much the same even though the economic aspects have taken precedence to a greater degree than before.

The following figure presents a summary of the stakeholders and the foundation for their influence as found in the analysis of the third period. The examination has revealed that the changes made in mid-2003 had a marked effect on stakeholder influence, and this is also reflected in the presentation below.
### Voting Influence

<table>
<thead>
<tr>
<th>Internal Stakeholder</th>
<th>Until mid-2003</th>
<th>After mid-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>University College Board</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Academics, students and technical-administrative staff</td>
<td>x (x)</td>
<td></td>
</tr>
<tr>
<td>Elected rector</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Faculty Boards</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Elected deans and heads of department</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Appointed deans and heads of department</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>External Stakeholder:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External members of the University College Board</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Telemark County</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Parliament</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Government</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>The Ministry</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

### Economic Influence

<table>
<thead>
<tr>
<th>Internal Stakeholder</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td></td>
</tr>
<tr>
<td>External Stakeholder:</td>
<td></td>
</tr>
<tr>
<td>The Government</td>
<td>x</td>
</tr>
<tr>
<td>The Parliament</td>
<td>x</td>
</tr>
<tr>
<td>The Ministry</td>
<td>x</td>
</tr>
<tr>
<td>Regional and local businesses contracting teaching and research</td>
<td>x</td>
</tr>
</tbody>
</table>

### Political Influence

<table>
<thead>
<tr>
<th>Internal Stakeholder</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>x</td>
</tr>
<tr>
<td>External Stakeholder:</td>
<td></td>
</tr>
<tr>
<td>Telemark County</td>
<td>x</td>
</tr>
<tr>
<td>Regional and local businesses contracting teaching and research</td>
<td>x</td>
</tr>
</tbody>
</table>

---

**Figure 7.3 Stakeholders and the foundation for their influence at Telemark University College, 1998-2006.**

### 7.6 Summary of Chapter Seven

This section summarises the findings of the analysis of stakeholder influence at Telemark University College during the period 1965-2006. The analysis has shown that many external stakeholders have exercised economic influence on the individual colleges in Telemark and later Telemark University College during the last 40 years. These stakeholders are found among regional and national businesses, non-profit voluntary organisations and public authorities.
Stakeholder influence at Telemark University College has evolved in three phases, but characteristics of the entrepreneurial regime have been present all along. During the first period, 1965-1986, characteristics of the welfare regime were dominant. The second phase can be understood as an intermediate stage since characteristics of the welfare and entrepreneurial regimes existed side by side, along with principles of participation, i.e. the bargaining regime, during the period 1987-1997. During the third period, 1998-2006, characteristics of the entrepreneurial regime became dominant. In the following, the main developments which took place in these three phases are discussed.

Strong Public Involvement – and Local Cooperation
During the first period, the analysis revealed features of the welfare regime even though a few characteristics of the entrepreneurial regime are also found. This period is distinguished by strong public steering and local cooperation. National authorities were thus the most important external stakeholder, wielding both voting and economic influence. Regional businesses and municipalities in the region, i.e. external stakeholders other than granting national authorities, exercised economic influence on the colleges from the very beginning. Students were expected to study in order to qualify for work, preferably within the region. The institutional legacy of colleges in Telemark during this first period was thus marked by cooperation with private and public external stakeholders. The colleges experienced several years with restrictive budgets and their activities and internal organisation structure were regulated in detail. As a superior administrative governance body, Telemark Regional College Council delegated a lot of authority to the individual Colleges. These Colleges had a tradition for broad participation of academics, students and associates from the field in their consultative bodies.

The Merger
During the second period, more features of both the entrepreneurial and bargaining regimes were common even though characteristics of the welfare regime were still important. In 1994, all the colleges in the region were merged into one: Telemark University College. The University College’s values became more market-orientated over time as contracts with external stakeholders were negotiated in response to demands; relationships were formalised. Accordingly, cooperation with external stakeholders was still important to Telemark University College. The presence of the characteristics of the welfare regime is demonstrated in the Government’s continued use of tied grants even though
parts of the allocation were now allotted as block grants and based on performance indicators. National authorities continued to regulate the University College in detail despite the fact that the Ministry delegated increasingly more authority to the University College Board.

Telemark Regional College Board aimed to be a major actor in relation to questions on higher education in the region. However, the individual colleges and the internal stakeholders represented in various consultative bodies in these organisations exercised political influence which, in practice, gave them decision-making authority. After the merger, Telemark University College Board replaced Telemark Regional College Board. From then on, the former individual colleges were organised as faculties with a two-level governance structure: faculty and department boards. Elections were used to fill the seats of these boards – with the exception of the external stakeholders who were still appointed by the Ministry – and the positions as dean. This process imparted increased voting influence to academics, students and technical-administrative staff, i.e. internal stakeholders. The institutional legacy was still notable for cooperation with external stakeholders. Moreover, voting influence was given to internal stakeholders.

Local Centralisation
Characteristics of the entrepreneurial regime dominated the third period even though some features of the welfare and bargaining regimes still existed. National authorities delegated more authority to Telemark University College Board and the funding system moved further in the direction of block grants and an increased use of performance indicators. The University College Board did not attempt to reduce the effect of the budget model by applying a different local model from the national one. The economic effects of the new funding model were noticeable since Telemark University reduced their credit production which again resulted in a reduction of the number of students giving disbursement as designated by the Ministry. Education and research were regarded as services delivered by the University College. Students gained more individual contractual rights through the mandatory service declaration. They were thus regarded as customers as well as participants. National regulation of internal organisation structure gave Telemark University College more options.

The institutional legacy of cooperation with external stakeholders continued also during this third period. The voting influence of internal stakeholders based on the participation of academics, students and technical-administrative staff in decision-making bodies was disrupted as Telemark
University College Board decided to discontinue both faculty and department boards – less than ten years after they were first introduced.

The following figure gives a summary of the stakeholders and their foundation for influence at Telemark University College during the last four decades.
<table>
<thead>
<tr>
<th>Year</th>
<th>Voting influence (formal decision authority)</th>
<th>Economic influence</th>
<th>Political influence</th>
</tr>
</thead>
</table>
| 1965-1986    | - The Government                                                                                                           - The Parliament                                                                                                          - The Ministry                                                                                                                                           - The Colleges:  
  • Elected rector at the Regional College and the College of Engineering; appointed rector at the College of Education and the College of Nursing  
  • Regional College Board; academics and students, though representatives from local authorities held the majority. All appointed  
  • College Councils where the College of Education and the College of Nursing and Social Work Studies had external members  
  • Expert councils                                                                                                                                     | - The Government                                                                                                           - The Parliament                                                                                                          - The Ministry                                                                                                                                           - The Colleges:  
  • Elected rector at TDH and TMIH, appointed at TLH and TSH  
  • College Councils where the College of Education and the College of Nursing and Social Work Studies had external members  
  From mid-1994: Telemark University College:  
  • elected rector and deans  
  • University College Board; elected academics, students and appointed external members  
  • Faculty and Department Boards  
  • Expert councils                                                                                                                                     | - The Regional College Board (external members and student representatives)  
  - College Councils  
  - Telemark County  
  - Municipalities in Telemark  
  - The Norwegian School of Sport Sciences  
  - The Norwegian College of Agriculture  
  - The Norwegian School of Economics and Business Administration  
  - National research institutes  
  - The Norwegian Bookseller Association  
  - Telemark Sports Association  
  - Regional song and music associations                                                                                                                | - The Regional College Board/ the University College Board  
  - College Council/ University College Council  
  - Telemark County  
  - Municipalities in Telemark  
  - The Norwegian School of Sport Sciences  
  - The Norwegian College of Agriculture  
  - The University of Oslo  
  - National research institutes  
  - The Norwegian Bookseller Association  
  - Regional and local businesses                                                                                                                      | - The University College Board  
  - Telemark County  
  - Regional and local businesses contracting teaching and research  
  - Other higher education institutions                                                                                                               |
| 1987-1997    |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                  |                                                                                                                                                                                                                     |
| 1998-2006    |                                                                                                                                                                                                                                              |                                                                                                                                                                                                                  |                                                                                                                                                                                                                     |

**Figure 7.4 Telemark University College: Stakeholder influence between 1965 and 2006.**
Chapter Eight

Tracing Continuity and Change in Stakeholder Influence

8.1 Introduction

As outlined in Chapter One, the research problem in this dissertation, seen from a broader perspective, involves an analysis of public administration policy, how policy relates to practice, and its affect on stakeholder influence. The application of historical institutionalism in the examination of the evolvement of higher education practice helps us understand policy change and continuity in public organisations in general.

The evolvement of stakeholder influence in higher education practice is marked by both continuity and change. The aim of this chapter is to answer the second research question: how and why have the norms and structures of stakeholder influence in higher education practice changed, or been continued over time? Historical institutionalism is applied as an analytical approach for investigating this development of stakeholder influence at the University of Oslo and Telemark University College. The present studies of these higher education institutions are in themselves historical institutional analyses (cf. Chapters Six and Seven). In the present chapter I develop the analyses by explicitly applying the tools of the historical institutional approach in examining the course of events in order to explore continuity and change in stakeholder influence. Accordingly, the evolvement in terms of either change or continuity is reconstructed in the dynamics and the interactions between exogenous and endogenous factors over time. A given path of norms and structures for stakeholder influence can be disrupted by a critical juncture – often exogenous events taking the form of a crisis – and a new higher education practice is produced along a new trajectory. Historical institutionalism as presented in Chapter Three also emphasises endogenous modes of incremental change such as layering, coercion, displacement, drift and exhaustion.

The presentation starts with an investigation of continuity and change in stakeholder influence at the University of Oslo, followed by a corresponding investigation of the evolvement at Telemark University College. These analyses raise the question of why the foundation for stakeholder influence in higher education practice looks different over time and space. The discussion below and the comparison of the evolvement in the two higher education institutions aim to clarify such matters. As argued in Chapter Three, historical institutionalism is a good theoretical platform for analysing the evolution of the
two higher education institutions. This is because it is an approach that focuses not only on change but also on continuity; it illuminates the importance of processes that affect the direction of development collating a numerous observations over a long period of time.

8.2 Continuity and Change – the University of Oslo

The examination of stakeholder influence at the University of Oslo revealed that features of the expert regime had a strong position at the beginning of the first period studied. The professors had the formal right to exercise voting influence as internal stakeholders. However, their influence changed substantially late in the first period as their vote mattered less when other internal stakeholder groups were given access to voting influence in decision-making bodies. This section explores whether this was an incremental change or if it was rather an abrupt change which can be explained in terms of a critical juncture. Characteristics of the bargaining regime – with a focus on participation of students and academics other than the professors – emerged in the 1970s and the University went through a democratisation process. Characteristics of the welfare regime have also been found in the early stage of this study. However, a process of decentralisation began and the University became a more decentralised higher education institution, displaying a belief in leadership and management. The decentralisation process involved delegation of authority to the executive and decision-making levels within the University, the faculties and the departments. During this process, the welfare regime lost its overall significance and the entrepreneurial regime emerged as dominant.

The University of Oslo started out expressing distinctive cultural values typical of the expert regime by focusing on free research and the intrinsic value of academic training. Over the years, the University added utility values to its focus; it was now believed that research should favour innovation and that education should accommodate the need of working life. Thus, features of the entrepreneurial regime were also found. Despite these changing regime characteristics, I argue that this is not a question of disruptive change through critical junctures. The evolvement is rather characterised by incremental change through layering, displaying an evolvement where there is a continuous presence of cultural values. The very core of the cultural values was challenged but not rejected completely, since the University continued to focus on its obligations in terms of guarding and disseminating the cultural heritage. The continuity of these cultural values – old ideas – can be seen as a trajectory
reproducing the voting and political influence of internal stakeholders in the definition of study programmes and research. This continuity was made possible through what is described in Chapter Three as the reproduction of cultural values – which allowed the stakeholders to act according to routine (Hay 2002). The internal stakeholders continued to argue for the purpose of the University much in same way as before – basing their arguments on existing norms of behaviour and standpoints. The values of the University were thus remoulded, but not converted, and it remains to be seen whether they ever will be converted.

Since the mid-1960s, the University of Oslo has responded to demands on higher education according to features of three stakeholder regimes: the expert, welfare and entrepreneurial. The relative importance of the regimes, however, has changed, as features of the entrepreneurial regime have taken over as the most prominent at the expense of the other two regimes. During the entire period, the University's activities were marked by the continuous presence of external stakeholders other than national authorities who were in a position to exercise economic influence. These external stakeholders also increased their economic influence through cooperation and negotiations. Several departments and faculties cooperated with external stakeholders on study programmes, but mostly on research. Two external stakeholders, the municipality of Oslo and the Industrial Association were credited with taking the initiative to establish the Oslo Innovation Centre in the mid-1980s. More recently, the University established Birkeland Innovation as a Technology Transfer Office. The first stage of this development can be understood as a layering mode of change because it did not disrupt the University’s traditional sense of purpose. Despite the fact that the University had established an Innovation Centre rather early (1985) and that some academic communities had established cooperation with external stakeholders, the main argument was that the University should respond to demands by serving the society as a whole. This can be regarded as keeping the core values intact, i.e. the University expressed the idea of serving the society as a whole – a characteristic of the expert regime – at an early point and continued to do so while expanding their vision of their purpose with more ideas. However, I will argue that this is only the case for the first stage of the development. During the later stages, the mode of change is instead a matter of displacement. This implies an “active cultivation of a new ‘logic’ of action inside an existing institutional setting” (Streeck and Thelen 2005:31) that

For example Medicine, Pharmacology and Geology. For further discussion, see Chapter Six.
allowed external stakeholders to play a more significant role with regard to economic influence.

This new logic led the University to establish satellite activities and develop a more deliberate policy on the commercialisation of research—borrowing ideas from American science parks. It was the coalition of internal stakeholders, the professors within the natural science disciplines and the university leadership—the rector and the Collegium—who championed the advantages of satellite activities and argued for a more expansive contact with businesses as well as with local and national government, i.e. those who could be regarded as likely collaborators for the academic community in question. When the Oslo Innovation Centre was first established, mechanisms of reproduction and increasing returns strengthened the commercialisation of research embarked upon. Chapter Three argued that the costs of exit from such commitments and invested credibility increased when the involved actors made commitments on the basis of current policy (Pierson 2000). The University—the professors, the rector and the Collegium—invested a lot of credibility in developing the relationship with both private businesses and the municipality of Oslo. The University’s potential loss of credibility was also an incentive to continue acting within this frame of response to demands on higher education. The more recent establishment of Birkeland Innovation can be explained along the same line of reasoning. For the University, the establishment of cooperation with external stakeholders commits the internal stakeholders, i.e. the University’s leadership and academics at the involved faculties. Accordingly, a trajectory of cooperation and commercialisation of research, characteristics of the entrepreneurial regime, was introduced early on in the period covered by this study.

Additionally, the Government’s law amendments concerning inventions made by employees, has encouraged the establishment of such companies. Here, legal regulations, a form of voting influence, function as a form of positive feedback that triggered change in stakeholder influence. Furthermore, the Government as an external stakeholder was able to induce the University to adopt more features of the entrepreneurial regime without explicitly regulating the organisation of their activities. This confirms that the University’s idea of opening up to the outside world is an old idea, but the degree of openness has increased, and references to opening up have become more widespread within the University, i.e. there are an increasing number of new bottles but their content is brewed from old ideas. In sum, the University has long experience
collaborating with external stakeholders and the role of the external stakeholders has increased in importance over the years.

The analyses in Chapters Five and Six revealed that the orientation of the *treasury tools* was continuous for quite a long time. The Government introduced changes in 1986, 1996 and then again in 2002. These changes caused the University of Oslo to evolve step by step along the same line, i.e. gradually introducing more features of the entrepreneurial regime. Furthermore, other internal stakeholders gained voting and economic influence due to these changes. In the following, I will argue that this can be understood as a steady process of change through layering where the University underwent a number of incremental changes all of which have increased the delegation of authority within the institution with regard to financial matters. This implies that the internal stakeholders at the faculty level, i.e. deans and faculty boards, have gained voting and economic influence due to their budget responsibilities.

During the first round of changes, the University adopted a more flexible budgeting system which expanded its room for manoeuvre. The University gained more authority in budget issues, and this meant that internal stakeholders such as the Collegium, the rector, faculty boards and the deans, gained voting influence in these matters at the expense of an external stakeholder – the Ministry. In the second round of changes made in the mid-1990s, public allocations were explicitly divided into three components, two of which were still mainly tied grants and one including incentives aimed at increasing the flow of graduate students. This happened a few years after the beginning of the second student expansion (1997-2001); the Government wanted to influence the way the University handled the increased number of students. The changes did not affect the core of the *treasury tools*; we thus saw a layering mode of layering. The core remained intact; only a few new elements were added at this stage.

By the end of the time period covered in this study, the University had been exposed to funding principles characteristic of the entrepreneurial regime for about twenty years. Exogenous factors such as the general liberalisation trend and modernisation of the public sector – emphasising efficiency and measurability – motivated national authorities to change regulations and allocation models in higher education policy. For the University of Oslo, the most recent changes in the early 2000s involved allocations of block grants and the extended use of incentives and performance indicators rather than tied grants. This did not, however, represent a complete rupture with the previous orientation of the *treasury tools*. They can thus be understood as “new fringe[s]
eat[ing] into the old core” (Streeck and Thelen 2005:31). Because governments have increasingly added new layers of funding tools characteristic of the entrepreneurial regime, the structure has changed and less remains of the original core – tied grants. This evolvement took the form of change through layering – an evolvement which was strengthened by the fact that the previous principles for funding had not lost support within the University. The Collegium decided, however, not to utilise an internal funding model identical to the national model. They argued that they adopted local modifications in order to reduce the effects of previous achieved results and thereby to make funding at the faculty level more predictable. This illustrates how the Collegium attempted to resist changes based on ideas of New Public Management. The new financing system is regarded as especially market oriented – diverging from the prevailing norms of the University. The Collegium did not regard the new funding system as a suitable model for funding universities and their core activities of education and research. It was based on ideas of market orientation that lacked legitimacy within the University. It can thus be argued that the evolvement is not simply a question of old ideas in new bottles. There is undeniably a taste of new wine even though the University tried to preserve its old vintage. However, the University had no choice but to implement the changes because governmental accounting and financial reporting principles accompanied the new financing model. Furthermore, the University’s response resembles the way they handled the introduction of result-oriented planning (ROP) in the early 1990s. The transformation of assessment from being based on input control to increasingly more output control occurred through a layering mode of change in such a way that “new elements [were] attached to existing institutions gradually changing their status and structure” (Streeck and Thelen 2005:31). As reviewed in Chapter Six, ROP was much contested when it was first introduced, but after some time resistance died out among the academics. The University and the internal stakeholders adjusted to the situation by letting it affect their main activities as little as possible.

This study has shown that in the course of the last 40 years, the orientation of the authority tools has changed so that the voting influence of the internal stakeholders increased at the expense of that of external stakeholder, more specifically national authorities. National regulations have become less detailed over the years. Furthermore, the University has delegated more authority in an increasing number of matters. As a consequence, both the Collegium and the deans have increased their voting influence, although this depends on whether or not the authority gained has been re-delegated further down the
decision-making levels. Features of the welfare regime are the most obvious during the entire period even though elements of the entrepreneurial regime have appeared more recently. The continuous presence of features of the welfare regime can be primarily understood as path dependence sustained by increasing returns where legal regulations themselves play an important role as sources of positive feedback (Pierson 2004). In addition, the changes carried out can be perceived as incremental change through layering; the governing of the institution was brought more in line with current ideas about the modernisation of the public sector as part of the liberalisation trend. This involved a focus on more institutional autonomy but also focused on making the achieved results more visible.

The developments in internal organisation – which included the spreading of voting influence – first to all internal stakeholder groups and later also to external stakeholders – can be described as a transformation from the expert regime, through the bargaining regime, resulting in a mixture of the bargaining and entrepreneurial regimes. The first phase of changes can be understood as a disruption of the path of the expert regime through critical junctures, whereas the second phase involved incremental changes through layering.

First, disruptive change will be examined. This type of change was caused by two major events – the student expansion and the student rebellion – that took place during the 1960s and early 1970s. These events jointly functioned as critical junctures, forming a new path – that of the bargaining regime, giving academics, technical-administrative staff and students, new possibilities for exercising voting influence. The enormous increase in the number of students and the subsequent student rebellion represented a critical juncture where the traditional way of handling decision-making within the University of Oslo was challenged. As reviewed in Chapter Six, the University experienced a 60 % growth in the number of students from 1965 to 1975. Due to this expansion, students found it difficult to come in contact with their professors and to take active part in matters affecting their educational programmes. In order to meet the need for more teaching personnel, the University employed lecturers, often on temporary contracts with few rights and little influence. Assumingly, these lecturers were not yet socialised like the ‘older’ lecturers and professors and thus lacked the traditional identity and norms of the tenured professors. The students and the lecturers formed a coalition of internal stakeholders who demanded more participation rights.

This happened around the same time as the student rebellion which contributed to strongly politicised student organisations. Through the rebellion,
the students demanded more direct democracy, the right to have seats in decision-making bodies and a voice in educational matters. Initially, the University was not particularly concerned with these viewpoints, despite the fact that there was an ongoing democratisation of other parts of working life at this time. However, the Parliament intervened in the matter of which internal stakeholders should sit in the Collegium and insisted that senior lecturers and students have the right to vote in all matters. As an external stakeholder, the Parliament exercised voting influence, aligning legal regulation with more general ideas of democratisation rather than with the opinion of the professors, who were the internal stakeholders in the Collegium at the time. These events ultimately resulted in the democratisation of the internal organisation of the University, leading to a new trajectory. First, the new path meant that elections replaced the principle of ex officio in filling seats in decision-making bodies. Second, more internal stakeholders became eligible for positions as dean and for seats on the faculty boards. Accordingly, new stakeholder groups were given access to decision-making bodies at the University of Oslo during the first period. After a few years, many of those who were students in the late 1960s and 1970s – including many of the former rebels – were employed in academic positions at the University. Here, they continued to uphold the ideas of broad participation in decision-making bodies at all levels of governance and have thus had a reproductive effect, upholding the democratic principles of the internal organisation structure. Ideas of participation had become legitimate both in society in general and within the University in particular.

The second phase of changes in internal organisation took place from the late 1980s and onwards. These changes were incremental changes through layering. The liberalisation trend and the growing belief in management contributed to an evolvement where the University emphasised the importance of good leadership abilities in academic leaders – deans and heads of department – along with academic merits. This demonstrates how new expectations were layered on top of existing expectations by the University, with regard to academics leaders. Analysed along with the acceptance of external stakeholders in not only the University Board but also in the faculty boards, this implies that “new fringe[s] [were] eat[ing] into the old core” (Streeck and Thelen 2005:31), leaving a few traces of the bargaining regime and incorporating features of the entrepreneurial regime. Furthermore, the rebels of the 1970s – the strong student advocates of representation and democracy – no longer held a majority of the leading academic positions. The new generation of professors, an elite group which rejected the norms and conventions of the
“professor rebellion” – the senior professors who opposed the introduction of appointed heads of department and the discontinued department boards – and the students no longer seemed as eager to fight for democratic principles such as elections and broad participation in decision-making bodies. Accordingly, the coalition of students and lecturers found at the first stage of change no longer exists. Furthermore, during the 1990s, the institutional arrangements building on the idea of participation lost their previous strong position in society. Instead, efficient decision-making and individualisation seemed to have taken over. The combination of these actor constellations and events facilitated this evolvement.

Developments in the stance towards students during the latter part of the second period reflected an orientation that favoured individual rather than organised rights; as is evident in the introduction of contracts and service declarations. The analysis in Chapter Six showed that students were increasingly regarded as customers, but this did not exclude them from also being viewed as participants. Accordingly, the two conceptions co-exist side by side. The mode of change can best be recognised as layering where the core of the institution – here participation – had started to lose support at least in terms of participation in decision-making bodies since some of these were replaced by consultative bodies. Furthermore, students were less willing to accept positions as board members, reducing student participation. Consequently, students have lost important access to voting influence. The tendency to view students as customers may have been triggered by external stakeholders. Politicians and the public administration have imposed public regulations – consisting of service declarations and study contracts – upon the University. Furthermore, there is reason to believe that other societal development patterns such as the general individualisation in society and the increasing tendency to associate citizens’ rights with social benefits regulated by law (Tranøy and Østerud 2001) were also transferred to the University, thereby transforming the institution.

In sum, characteristics of the welfare regime can be found continuously within the entire timeframe of this study. This is especially the case for the structural dimension of the stakeholder regime where the possibilities of the national authorities’ to exercise both voting and economic influence were strongly regulated. However, the evolvement of stakeholder influence had three phases; the first phase was characterised by the strong voting influence of national authorities and professors. During the middle phase, characteristics of the entrepreneurial regime were gradually introduced. Some voting influence was delegated to the University from the Ministry. Furthermore, external
stakeholders from private businesses and local governments obtained economic influence. During the third phase, the characteristics of the entrepreneurial regime took over as the most prominent, even though it may seem too early to claim that they took root permanently in the University. Academic leaders have gained voting influence by virtue of not only their academic merits but also their leadership skills. External stakeholders having the possibility to exercise economic influence, cf. the second period, continued to increase their significance during this last period.

Layering is the most frequent mode of change; the University took on an increasing number of features of the entrepreneurial regime. It can be argued that despite the lack of any critical junctures punctuating the path of the earlier mixture of the expert, bargaining and welfare regimes, an accumulation of incremental changes through layering gradually replaced this path, forming a new equilibrium (Thelen 2003 and Streeck and Thelen 2005). However, if there had not been a middle phase, the change of paths toward a more dominant entrepreneurial regime that occurred in the third period would probably have been more difficult to achieve – at least to the same degree. This study reveals that change was triggered by a combination of various factors. Internal stakeholders, such as students, lecturers, professors and the Collegium/University Board, at times acted alone, but they also often joined in coalitions, even with external stakeholders. National authorities were, however, found to be the main instigators of change along the structural dimension. This demonstrates the overall strength of public governance, despite the extensive delegation of authority over the years.

8.3 Continuity and Change – Telemark University College

The investigation of stakeholder influence at Telemark University College showed that the situation in 2006 was strongly characterised by the entrepreneurial regime. These characteristics can be traced back to the establishment of Telemark Regional College in the early 1970s. The discussion in Chapter Seven showed that there has been an evolvement from a situation where the welfare regime was dominant, albeit in combination with features of the bargaining and entrepreneurial regimes, to a situation where the latter has become dominant. But characteristics of the welfare and bargaining regimes can still be found. The question is how and why these shifts came about, i.e. how much can be interpreted as incremental change and what was more a question of radical change?
The investigation of Telemark University College revealed that characteristics of the entrepreneurial regime were continuously present within the norm dimension. Various forms of collaboration with external stakeholders in response to demands on higher education were present from the very beginning of the period covered in this study. However, at an early stage, characteristics of the welfare regime were present since the individual colleges primarily expressed utility values. The University College focused on delivering education and research according to local and regional needs – and thus fulfilling public policy. They did so by designing study programmes in cooperation with local contractors, both private and public, who acted as external stakeholders.

The College of Education was the only college that expressed cultural values. From 1994 and throughout the third period, the merged University College pursued both types of values, but in a transformed version. Due to the University College’s focus on research and education as tradable goods, the change implied the presence of characteristics more distinctly in line with the entrepreneurial regime. This kind of evolvement can be understood in terms of change through conversion. The transformation implied that the merged University College had reinterpreted the existing cultural and utility values found within the individual colleges. The University College Council, which prepared the first common strategic plan shortly after the merger, represented a new coalition; it was the first joint consultative body with internal stakeholders. The cultural values expressed by the former College of Education were incorporated with reinterpreted utility values, giving external stakeholders the possibility to exercise political influence. The revised view of the values of education can be understood as a result of a compromise within the coalition of the University College Council, allowing the redeployment of cultural and utility values. The merger and the liberalisation trend – which emphasised ideas of competition and the production of knowledge – were exogenous events which functioned as a window of opportunity opening up for more characteristics of the entrepreneurial regime. The faculties of Technology and Arts and Sciences used this opportunity to promote a number of values in higher education they believed ought to be legitimate – those of seeing research as a tradable good and education as a potential subject in business contracts.

Other internal factors also mattered. From Chapter Seven we know that features of the entrepreneurial regime were also found in the way the University College related to demands on higher education from the very beginning. There was extensive cooperation with external stakeholders of both private and public origin during the entire time studied. Applying terms like interaction and
interdependence (Pierson 2004, Steinmo 2008), this change can be understood as facilitating the change of the values, as reflected in the features Telemark University College displayed in other categories. In sum, the investigation has revealed that the University College argued that education and research were services. Changes in values influenced thinking about the mission of the University College in terms of how they ought to respond and relate to the outside world. This is an example of how different categories of the stakeholder regimes can “shape one another” (Steinmo 2008:128) and how old ideas can be rebottled.

Furthermore, it can be argued that the above-mentioned response to demands on higher education – along which the University College displayed continuous features of the entrepreneurial regime – were reinforced by recent decentralising reforms and the national demand that all higher education institutions must be more open to the outside world. The liberalisation trend and the general idea of modernising the public sector discussed in Chapters One and Five – where education and research are conceived of as services – have had a reinforcing effect. As a result, external stakeholders gained both economic and voting influence. Voluntary organisations, local companies and regional authorities, perhaps especially the County of Telemark, have been heavily involved in both research activities and the development of new study programmes. The coalition between these actors and the University College and its faculties has made this evolvement possible. The credibility which Telemark University College has invested in its collaboration with these stakeholders motivated the University College to continue this entrepreneurial behaviour and the need for credibility thus functions as a factor of increasing returns (Pierson 2000).

Furthermore, these changes have an economic dimension. Since the treasury tools – changes in which are discussed below – have become increasingly more incentive-based, and externally financed activity has correspondingly become more important. This again is linked to the increased importance of cooperation with external stakeholders from an economic point of view. As a consequence, the path of the entrepreneurial regime has been reinforced.

Students at Telemark University College had voting influence from an early stage and gained economic influence more recently. This study shows that during the first two periods (1965-1986 and 1987-1996), the University College made no statements explicitly expressing its stance towards students. They did, however, focus on the importance of student participation in decision-making and consultative bodies. The idea of student participation in both decision-
making and consultative bodies was not contested within the University College but was rather an acquired right, taken for granted. This can be seen as a phenomenon of intercurrence; the idea that changes that take place in one institution, have implications for others (Pierson 2004). This suggests that Telemark University College, or the former individual colleges, would have been influenced by what happened regarding student democracy and participation at other higher education institutions at the time. Accordingly, there is reason to believe that the student expansion and the student rebellion at the other Norwegian universities had a palpable effect on Telemark University College as well.

In the late 1990s, individual rights and the view of students as consumers were added to the principle of participation – reflecting a layering mode of change. These additions cannot be understood as ruptures in the existing characteristics of the bargaining regime because student participation was still important for the University College, which in fact stressed the significance of such involvement. The previously mentioned trend of liberalisation in public administration spread ideas based on the rights of the individual in society in general (Tranøy and Østerud 2001) and of the student as a consumer in particular. The Government contributed to such a change by introducing mandatory service declarations and contracts. Furthermore, even though the University College stressed the importance of participation, the actual possibilities for student participation and voting influence decreased because Telemark University College opted to discontinue the faculty boards, cf. the discussion below. This can be understood in terms of layering as a “new institutional layer siphons off support for [an] old layer” (Streeck and Thelen 2005:31). Put differently, the University College was less active in its support of student participation in order to accommodate the new ideas inherent in more general societal trends and governmental instructions.

The study shows that the orientation of the treasury and authority tools has changed incrementally over the last 40 years. Some of the previously dominant characteristics of the welfare regime remain and various national authorities continue to be the most important external stakeholders playing a role that allows them to exercise voting, economic and political influence. Based on the analysis in Chapter Seven I argue that this demonstrates incremental change. The treasury tools have developed gradually from being based on tied grants to block grants which have become progressively more incentive-based. Over the years, the orientation of the authority tools has become more focused on decentralisation and less on detailed regulation. Through this process, internal
stakeholders have gained voting influence, and here management have benefited the most in recent years. This evolvement is characterised by change through layering in two rounds.

The first round of change left the core intact – that of tied grants and detailed regulation. The Government’s use of performance indicators made its entry in the mid-1990s along with delegation of authority to Telemark University College. The Ministry transferred the authority to establish and discontinue study programmes at the bachelor level to the University College Board during the third period. Additionally, the University College was gradually given extended appointment authority until they were fully responsible for every engagement in 1995. This can be understood as change through layering following the same line of reasoning as above – bringing the formal rules in accordance with prevailing practice. This is because higher education institutions were given extended authority, but this authority was delegated according to earlier principles. Rather than abrupt, this change can be understood as evolutionary and adaptive, the kind of change that may occur during periods of path dependency (Peters and Pierre 1998).

When looking at the way Telemark University College handled its difficult economic situation, we find that the University College did not resort to retrenchment or other specific measures. They argued that external factors were to blame for their lack of financial resources; the decreasing number of applicants was caused by demographic changes, the funding system had unfortunate effects – especially for Telemark University College, etc. This response can be understood as reproduction by habit and institutional inertia (Hay 2002, Pierson 2004). The University College continued to adapt to tied grants, which remained the main orientation of the treasury tools, and rather detailed regulations, the main orientation of the authority tools even though the Government and the Ministry had added new layers of block grants and performance indicators. National authorities remained the most important external stakeholder wielding economic and voting influence. The Government and the Ministry were the driving forces of the incremental changes that took place as they were the instigators of these changes which were part of the more general changes in higher education institutions. However, it is possible that the higher education institutions took an active part in changing policy. This is not, however, investigated in this dissertation since it is outside the scope of the research questions.

The second round of change – introduced by the Quality Reform – implied wider-ranging alterations in the orientation of the treasury and authority
tools than the first round. These alterations are still interpreted as instigating change through layering, but a situation evolved where the core of the old institution – tied grants – was strongly challenged although not totally defeated. Furthermore, we observed that Telemark University College and the students exercised more economic influence. The second round of change could at first sight have been perceived as a conversion mode of change. This would, however, have required that the changes implied the employment “of old institutions to new purposes” (Streeck and Thelen 2005:31). This was not the case. The alteration did, however, build on the continuation of the principles which the Government and the Ministry introduced during the first round of change.

Along with the introduction of block grants, incentive-based financing and decentralised authority, strategic planning can be regarded as a solution to problems of efficiency and a demonstration of the Government’s increased willingness to measure goal achievement – all of which form part of the liberalisation trend common in the public sector in general. For Telemark University College, the efficiency problem was related to low production of both student credits and publications. The University College Board was the internal stakeholder who acted on these changes by introducing an internal budget model applying the same principles as the national model. As discussed in Chapter Seven, the University College Board’s intention was to make the faculties review study programmes that had few applicants and/or problems with low student flow, i.e. study programmes that would thus not attract sufficient public funding. As a result of these alterations, the University College adapted to declining public allocations by not registering new students in several of the existing study programmes. Here, external factors such as problems attaining sufficient allocations made the University College, or more precisely the University College Board, reject previous norms and convention with regard to how to relate to changing economic circumstances (Hey 2002), cf. the discussion of how they behaved in the first round.

The internal organisation of Telemark University College changed from a situation first characterised by features of both the welfare and the bargaining regimes. Characteristics of the bargaining regime were then strengthened at the expense of those of the welfare regime. Second, an increasing number of features characteristic of the entrepreneurial regime appeared. This was particularly evident in 2003, when the University College Board decided on several changes which concerned the internal organisation structure, e.g. the discontinuation of the faculty boards. In the following, this first evolvement is
explained as a layering mode of change and the second as change through displacement.

The Parliament first introduced faculty and department boards by law after the merger in the college sector in 1994. This alteration was driven by an external stakeholder in Telemark University College – national authorities and the passing of legislation common to all Norwegian public higher education institutions. For Telemark University College, the faculty boards can to a certain extent, however, be understood as continuations of the individual college councils. As noted in Chapter Seven, internal stakeholders such as academics, students and technical-administrative staff achieved more voting influence as a result of these changes. Previously, these stakeholders wielded political influence through the consultative college councils. When Telemark Regional College Board delegated more authority to the college councils, the actual voting influence of the internal stakeholders increased. Accordingly, the manner in which Telemark University College adapted to the introduction of faculty boards in 1994 was less of a change than it might have first appeared to be. From early on, internal stakeholders, i.e. especially academics, but also students, ensured the broad participation in the college councils. It is thus a question of an incremental change. When collegiate bodies with decision-making authority were first introduced, this implied that the internal organisation structure of Telemark University College was brought more in line with normative and political ideas prevalent in the democratisation process in work life in general and higher education in particular. The consultative bodies at the former individual colleges, which had both external and internal representation, were transformed according to these ideas by attaching new elements to the existing institution (Streeck and Thelen 2005). No new groups actually gained access to the decision-making process at Telemark University College. This evolvement also had another exogenous driving force – the merger initiated by the report from the Hernes Commission. Members of the University College Board, faculty boards – academics, students and technical-administrative staff – functioned as internal forces maintaining and reinforcing the idea of participation. This can be understood as reproduction by acting in a routine manner (Hay 2002) – actions based on the experiences of participation in the pre-merger bodies and thus as bottling old ideas in new containers.

When national authorities made more options for the internal organisation structure available in 2003, Telemark University College Board decided to discontinue their faculty boards – a transformation which is interpreted as change through displacement. As a result of this evolvement, internal
stakeholders in general lost voting influence. Academic leaders on the other hand gained voting influence. One way of understanding such change through displacement is that of “invasion and assimilation of foreign practices” (Streeck and Thelen 2005:31). In the case of Telemark University College, the tradition of having arenas for broad participation was broken and replaced by management groups. I argue that this implies that a new logic of action was cultivated. The investigation in Chapter Seven showed that a coalition comprising the University College Board and the director worked particularly hard for and argued in favour of establishing such management groups. These actors’ rejection of the norms and conventions of the academics who wanted the decision-making bodies re-established, hindered the reproduction of the characteristics of the bargaining regime and opened for those of the entrepreneurial regime.

The University College Board’s decision in 2003 to replace elected leaders by appointed leaders is another event that contributed to the evolvement of a more entrepreneurial regime at Telemark University College. As a result, fewer internal stakeholders within the faculties and departments have voting influence when it comes to deciding who can function as dean and heads of department. In historical institutionalist terms, this can at first sight be understood as a course of change through layering. Since the deans and heads of department are appointed from among the internal stakeholders – those who until the change were eligible – no new groups came to power. This kind of amendment can be described as differential growth – amendments accepted as “refinements of or correctives to existing institutions” (Streeck and Thelen 2005:23). These amendments were built on the idea of management and strong leadership. Change through layering supposedly preserves the core – at least during the initial stages of change (Streeck and Thelen 2005). However, this is not the case here since the principle of election was replaced by that of appointment. Rather than a layering mode of change it can be argued that this is a “rediscovery and activation of dormant or latent institutional resources” (Streeck and Thelen 2005:31) and is hence change through displacement. The investigation of the first period (1965-1986) showed that the previous College of Education and the College of Nursing had a tradition of appointed rectors. Despite the fact that the rector and the deans are employed at different levels of management, the former rectors’ sphere of responsibility corresponds to a large extent to that of the present deans. This is because, at the time these rectors were each responsible for what corresponds today to the Faculty of Art, Folk Culture and Teacher Education and the Faculty of Health and Social Studies. This can also
be perceived as old ideas in new bottles. The main difference is that the University College Board now had appointment authority whereas it previously was held by the Ministry.

Turning to the representation of external stakeholders, the study shows that external stakeholders have been continuously present in various boards and councils during the entire period – independent of the dominant regime characteristics. This continuity is characterised by path dependence and self-reinforcement, to use Pierson’s terms (Pierson 2000). The representation of external stakeholders is a feature of both the welfare and entrepreneurial regimes and the Ministry appointed the external stakeholders upon recommendation in both cases. However, the argumentation in favour of external stakeholders exercising voting influence differs from regime to regime. Within a welfare regime, national authorities would argue that external members are seen as a way of ensuring that regional needs and the potential for economic growth are incorporated in the higher education institution. Telemark Regional College Board, on the other hand, argued that external members, especially politicians, were necessary because they could inform the Government and the Parliament about educational needs within the region. During the third period, the reigning argument in favour of external board members was the need for external approval and the external stakeholders were seen as a means to such an end. The entrepreneurial features describing the University College’s response to demands on higher education, i.e. the eagerness to cooperate with external stakeholders and their general willingness to open up to the outside world would operated as a reinforcing factor (Pierson 2000).

Furthermore, the regulation requiring the inclusion of external stakeholders to the Board had been in force from the establishment of the Regional College Board in the mid-1970s. Such legal regulation can thus be argued to have given positive feedback, the attitude in favour of the presence of external stakeholders in the University College Board was maintained (Pierson 2004).

The Government introduced result-oriented planning (ROP) in the early 1990s even though it did not have much effect on Telemark University College in the beginning. Strategic planning, which followed in its wake, however, was more significant. Both the leadership and planning committees spent much time preparing strategic plans before they were submitted to the University College Board. The introduction of new forms of assessment, i.e. ROP, which resulted in more voting influence to external stakeholders, indicates a layering mode of change. They did not replace former types of assessments; they were simply added on (Streeck and Thelen 2005). Until the merger, the plans did not
seem to function as steering tools for either the Government or the individual colleges. Devising the plans appeared to be merely a demonstration of pro forma action – they were prepared primarily to satisfy government requirements. ROP was not used to analyse goal achievement but presumably paved the way; strategic planning was destined to have a significant effect on the University College.

In sum, the transformation from the early phase where features of the welfare regime regulated the practice of Telemark University College to a system where characteristics of the entrepreneurial regime became dominant is interpreted here as a succession of incremental changes – mostly through layering – which finally lead to a new path (Thelen 2003, Streeck and Thelen 2005). Both regimes are present during the entire period but the mixture was gradually altered. Private companies, voluntary organisations and municipalities in the region have played roles as external stakeholders with economic and political influence. Additionally, the fact that the Government and the Ministry have delegated more authority to the University College has allowed certain internal stakeholder groups, i.e. academic leaders and technical-administrative staff, to exercise more voting influence at the expense of national authorities and elected decision-making bodies. During this process, change through layering is the most obvious type of change. No major punctuations have been discovered that give reason to claim that the changes were disruptive. This is in spite of the merger in 1994 and its accompanying effects – exogenous events inflicted on the University College by the Government – which were obviously significant. However, the investigation does not support the idea that the merger served as a critical juncture as defined by the historical institutional approach.

8.4 Comparing the University of Oslo and Telemark University College

This section aims to compare the evolvement of stakeholder influence at the University of Oslo and Telemark University College. First, the main regime characteristics found within the two higher education institutions during the 40 years of this study are reviewed. Second, I compare the modes of continuity and change within the two institutions as reviewed in Sections 8.2 and 8.3.

The University of Oslo and Telemark University College have both gone through an evolvement of stakeholder influence in three phases. For the University of Oslo the process has been described as one of democratisation,
emerging decentralisation and finally, decentralisation. For Telemark University College the phases demonstrated strong public involvement and local cooperation, followed by a merger and finally, local centralisation. These phases are given different headings to reflect the significance of different events. Whereas the University of Oslo demonstrated a mixture of the characteristics of the expert and welfare regimes, Telemark University College displayed a mixture of the welfare and entrepreneurial regimes. Despite these differences, this study has revealed that the two higher education institutions also have features in common. For instance, characteristics of the bargaining regime are found in both cases. This involved the broad participation of academics, technical-administrative staff and students, in decision-making bodies. Accordingly, internal stakeholders wielded voting influence at both higher education institutions. Furthermore, during the second phase the two higher education institutions became more similar, the characteristics of the entrepreneurial regime gradually coming to dominate both by 2003. Along with the growth of ideas of strong leadership and management, authority has been decentralised within the higher education institutions. Deans and the faculty boards have thus gained voting influence. Additionally, more focus on externally financed activities and thereby on cooperation with external stakeholders – mostly companies – has increased the importance of these external stakeholders with regard to exercising economic influence. These are changes that would have been hard to achieve if the two higher education institutions had not gone through the previous sequential phases. In the following I discuss these similarities and differences in more depth.

The examination of stakeholder influence in higher education practice showed that both institutions displayed a relatively strong presence of features of the welfare regime from the late 1960s until the third period, i.e. the mid-1990s. This was especially the case along the structural dimension of the regime models. National authorities were correspondingly the most important external stakeholders whose foundation for influence was both voting and economic. This also illustrates the Government’s eagerness to include the Norwegian higher education institutions within the scope of strong public steering. The picture is, however, more complex and there were some major differences between the two higher education institutions. Early in the first period, the University of Oslo also displayed pronounced characteristics of the expert regime. Accordingly, the professors were the most prominent internal stakeholders who exercised voting influence; i.e. defining the values of the institution, deciding with whom to cooperate, etc. The internal stakeholder
group, however, became more complex due to the democratisation process in the mid-1970s when students, lecturers and technical-administrative staff also gained voting influence. In the case of Telemark University College, features of the entrepreneurial regime existed already early in the first period (1965-1986). The analysis in Chapter Seven showed that other external stakeholders than the national authorities, exercised voting influence from early on at Telemark University College. Businesses, voluntary organisations and local governments in the region played important roles in the development of study programmes and in contracting research. These stakeholders also exercised economic influence on a smaller scale in the 1970s and 1980s. In sum, the main differences between the two were found along the norm dimension of the stakeholder regime models.

During the second period both the University of Oslo and Telemark University College displayed more features of the entrepreneurial regime. This was a period when the two higher education institutions developed and expanded their satellite activities and research foundations were established at the very end of the first period. Both the level of activity and its relative economic and political significance for the respective institutions increased. This shows that both higher education institutions have a relatively long tradition of opening up to the outside world. External stakeholders contributed to the establishment of the Oslo Innovation Centre at the University of Oslo and the R&D foundations at Telemark University College. The activities at these foundations involved cooperation between the higher education institution and the external stakeholders such as municipalities and businesses.

Furthermore, both higher education institutions cooperated with local and regional external stakeholders. The introductory chapter of this dissertation hypothesized that traditional regional development would be of less importance to the University of Oslo than to Telemark. This has proven to be an oversimplified assumption. On the one hand, the University has been more regionally oriented than expected. The University College, on the other hand, has been more nationally oriented than expected. This can be illustrated by the fact that the University primarily cooperated with the municipality of Oslo and businesses located in the inner Oslofjord area – even though several of these were national or international in scope. But Telemark University College also had business collaborators with a national or even international stature, cf. Norsk Hydro. Compared to the University of Oslo, Telemark University College, however, was more explicitly involved in small projects with different local governments in Telemark. An increasing focus on externally financed
activities from the 1990s and onwards, along with the emphasis on openness to the outside world meant that external stakeholders experienced a relative increase in their economic influence.

By the end of the third period, features of the entrepreneurial regime had become dominant at both the University of Oslo and Telemark University College. These two higher education institutions have external non-governmental stakeholders with increased economic influence in common. Furthermore, both institutions also displayed more features of the entrepreneurial regime with regard to factors along the structural dimension, i.e. the authority and treasury tools. National authorities as external stakeholders contributed to the reduction of voting influence; and the internal stakeholders exercised relatively more influence. Ideas of management and leadership became increasingly more pronounced. The University of Oslo allowed the departments to decide whether to appoint or elect their heads of department and whether to discontinue the department boards. Telemark University College acted much in the same way when the University College Board decided to discontinue the faculty boards and to appoint deans and heads of department. The differences were, first, a matter of governance level and second, in contrast to the changes valid for the departments at the University of Oslo, the changes at the faculties at Telemark University were mandatory.

The investigation has revealed that the evolvement of norms and structures for stakeholder influence at the University of Oslo and Telemark University College took place through both similar and different modes of incremental change. The two higher education institutions displayed more similar features along the structural dimension than along the norm dimension of the stakeholder regimes. Similarities are also found when examining the forces driving change and sustaining continuity. The ongoing interpretation and adaption of the changes in treasury and authority tools as well as assessment at both institutions took place through a layering mode of change. National authorities, the most important external stakeholders over the years, have given the higher education institutions little choice and room for manoeuvre with regard to putting the changes in the orientation of treasury and authority tools into practice. Accordingly, these external stakeholders exercised voting influence in order to implement altered governance tools. However, the study showed that there were some examples where the University of Oslo tried to reduce the effects of the national system by adopting local models that upheld some of the previous principles, cf. the local budget model. The internal stakeholders, i.e. the University Board, exercised voting influence in order to retain a system that was
less market oriented and more in line with their core values regarding the funding of research and education. Telemark University College, on the other hand, was not as eager to follow suit – and the local budget models have thus taken a less divergent form compared to the national models.

The changes in the internal organisation of the two higher education institutions represent an exception to the pattern where the development along the structure dimension of the regime models occurred through a layering mode of incremental change. During the first round of change in the mid-1970s, the University of Oslo went through a democratisation process where the internal stakeholders other than the professors, i.e. students, lecturers and technical-administrative staff obtained increased access to voting influence in decision-making bodies. This change implied that critical junctures represented by the student expansion and the student rebellion punctuated the existing mixture of characteristics of the expert and welfare regimes and created a new path – introducing features of the bargaining regime, such as participation, which co-existed with characteristics of the welfare and expert regimes. In the case of Telemark University College, the analysis has not verified any change of paths through a critical juncture. There was no documentation found of any direct effect of the student expansion or of a rebellion taking place within the existing colleges – i.e. in the sense that the students took an active stand and explicitly demanded the right to participate in every decision-making body at the individual colleges. The second phase of changes in internal organisation, when the Government made more options available in terms of the organisation of internal governance and management structure, the University of Oslo’s internal organisation changed through layering whereas in the case of Telemark University College the change took place through displacement. The University College took on a governance and management structure familiar from the time before the merger in 1994. The University of Oslo, on the other hand, simply added more options to those which already existed.

To summarise, the discussion in Sections 8.2 and 8.3 revealed that there were different modes of change at work along the norm dimension even though both the University of Oslo and Telemark University College were moving in the same direction. In the case of the University of Oslo, changes through layering and displacement were found whereas in the case of Telemark University College layering and a reinforcement of the trajectory of the entrepreneurial regime were found. This was a situation where we see an increased number of features of the entrepreneurial regime and a corresponding
distribution of economic and voting influence among external stakeholders other than national authorities.

Given the theoretical approach of this study – historical institutionalism – the differences between these two higher education institutions can be understood as having their origin in their individual institutional legacies. As discussed in Chapters Six and Seven, these legacies differ. Whereas the University of Oslo had a long tradition where professors were the strong internal stakeholders with voting influence, there was no equivalent, strong internal stakeholder group at Telemark University College. The latter instead built on its tradition where external stakeholders wielded voting, economic and political influence.
Chapter Nine

The Institutional Evolvement of Stakeholder Influence in Norwegian Higher Education

9.1 Introduction

Broadly speaking, this dissertation can be seen as an investigation into the practice of public policy in terms of the ways public organisations have interpreted and adapted to national policy reforms. More specifically, this study has dealt with how policy reforms affect stakeholder influence in public organisations, here higher education institutions. The empirical analysis is based on a case study of one university and one university college, the University of Oslo and Telemark University College, where I investigate the evolvement of stakeholder influence. The analysis covers four decades, starting in 1965. The examination is carried out within the context of national higher education policy and reforms.

The stakeholder regimes developed in Chapter Two have guided the empirical analysis of both policy and practice. The four stakeholder regimes were developed along two dimensions: norms and structures. These stakeholder regimes function as a lens to analyse how the University of Oslo (Chapter Six) and Telemark University College (Chapter Seven) have interpreted and adapted to national policy. A more detailed review of the stakeholders and the foundation for their influence is given in Figures 6.1-6.4 and 7.1-7.4, respectively. Chapter Eight examined these results more closely, i.e. the evolvement of continuity and change in stakeholder influence at the two higher education institutions, on the basis of historical institutionalism as presented in Chapter Three.

This final chapter will discuss questions and assumptions raised in the introductory chapter. First, I examine whether policy actually changes practice. The findings of this study indicate that policy matters. I also discuss historical institutionalism as an approach for studying institutional evolution at the organisational level. Second, I discuss how the application of a stakeholder approach contributes to the analysis. The final section reviews ideas for further research.
9.2 Policy and Practice in Stakeholder Influence in Higher Education

In order to discuss whether policy matters in political practice, this section begins with a brief review of the differences and similarities between national higher education policy and practice at the University of Oslo and Telemark University College. Chapter Eight established that the two higher education institutions basically went through the same mode of change, i.e. layering, along the structure dimension of the stakeholder regime model. An increasing number of the features of the entrepreneurial regime were found within both the norm and structure dimensions. This was also the case in national higher education policy (cf. Chapter Five). At the same time, the higher education institutions, especially the University of Oslo, have demonstrated the ability to preserve the core activities of education and research and to shield the academic community.

During the first period, higher education policy was described as expansive, whereas the two subsequent periods represented different stages of modernisation. This corresponded with the descriptions of changes in public policy in general as reviewed in Chapter One. Examples of such changes indicated an increased market orientation; i.e. the emphasis on efficiency, the use of performance indicators and contracts, and the view of the institutions providing services for consumers.

Analysis of national higher education policy showed that characteristics of the welfare regime were dominant from the mid-1960s. External stakeholders, here national authorities, regulated higher education institutions in detail through regulations, public funding and strong budget control. Even the internal organisation of the higher education institutions was, and continues to be, regulated by law, i.e. granting voting influence in matters of internal organisation to external stakeholders, i.e. national authorities. During the second half of the first period, characteristics of the bargaining regime appeared and external stakeholders – the national authorities – imposed for instance changes in internal organisation, deciding which internal stakeholders were eligible to sit in the Collegium and on the faculty boards. This shows how important public external stakeholders were under the welfare regime since features of another regime – here the bargaining regime – were introduced, increasing the voting influence of other internal stakeholders than the professors: academics in general, technical-administrative staff and students.

Through Norwegian national higher education policy, the welfare regime was progressively weakened during the late 1980s and the early 1990s. During the transition between the second and third periods, characteristics of the
entrepreneurial regime appeared and became increasingly prominent throughout the 1990s and the 2000s. The investigation of higher education practice in Chapter Eight showed that this process was similar in the practice of both the University of Oslo and Telemark University College. The two higher education institutions responded to public demand that they open up and engage in satellite activities, allowing external stakeholders to exercise economic influence. Internal stakeholders described research and education more frequently in terms of delivery of services.

The discussion affirms that policy matters (cf. Weaver and Rockman 1993, which support these findings). Researchers have argued that political systems with established arrangements for consultation and involvement aid effective policy implementation (Weaver and Rockman 1993). The following example from this study illustrates the use of consultations in Norwegian higher education policy. During the first years of the period analysed, the University of Oslo, more specifically the Collegium as an internal stakeholder, wrote their own law proposals, cf. Chapters Five and Six. From 1989 on, when the higher education acts were drawn up, an external stakeholder in the higher education institutions, the Ministry, prepared the law proposals. All the involved higher education institutions had the right to make consultative statements and it was mainly the Collegium/University Board, an internal stakeholder, who formulated these statements. Even though the statements were not always taken into consideration in full, the process itself might have helped prepare the higher education institutions for the upcoming changes.

Despite the fact that consultations form an essential part of the Norwegian policy formulation process, this study shows that the Government has also displayed a great willingness to execute relatively strong political steering (cf. Chapters Six, Seven and Eight). The analysis has shown, however, that incremental change through layering has been the most frequent mode of change within the two selected institutions. This may, on the one hand, indicate that political steering of the higher education institutions has not been that strong after all – or not strong enough to implement more fundamental changes quickly. On the other hand, many of the policy changes the Government, an external stakeholder, imposed on higher education institutions were found along the structural dimension of the stakeholder regime, i.e. changing the orientation of the treasury and authority tools. Legislation and funding are factors which are significant for the higher education institutions and the way they administer their main activities: education and research. Furthermore, the higher education institutions, in this dissertation exemplified
by the University of Oslo and Telemark University College, displayed inertia and their inclination to change varied over time and between the different academic communities. The following example illustrates how the University of Oslo made deliberate attempts to moderate changes in the national funding system by adjusting the redistribution of public allocations within the University. As discussed in Chapter Six, the University Board decided to implement an internal budget model where allocations to the faculties would be less affected by fluctuations in the achieved performance indicators than would have been the case if they had followed the norms of the national model. The University, to a certain extent, resisted any change in their authority, arguing that the predictability of the allocations was regarded as more important than the use of performance indicators. Apparently, gradual change can reduce resistance to change in the universities and university colleges. In any case, this analysis has shown that change was possible through the addition of new elements to existing policy.

We cannot, however, take for granted that all the changes which have been revealed comprise real changes in interpretation and adaptation at the higher education institutions. This leads to the question whether the features of the entrepreneurial regime – features that e.g. granted economic influence to external stakeholders other than national authorities – found during the second and third periods at Telemark University College and the University of Oslo are mere “window dressing” (acts and statements aimed at making a favourable impression) or whether they demonstrate actual transformations. It may well be that the statements and adaptations characteristic of the entrepreneurial regime found along the norm dimension were for appearance only. Internal stakeholders, boards and academic leaders at the higher education institutions may have deliberately included specific values and ideas in, for instance, strategic plans and annual reports – values and ideas they know the granting and regulating authorities expect to find – in order to impress them (cf. the discussion in Chapter Four). However, the findings of this study contradict the suspicion that window dressing was the reason for the results. Both the University of Oslo and Telemark University College have cooperated with external stakeholders ranging from local and regional governments to private businesses and industries. Programme papers, board minutes, annual reports, etc., give accounts of with whom the respective higher education institution cooperated and on which projects. Furthermore, the idea of cooperation is not new. What is new – or in new bottles – is the increasing emphasis on the revenue to be gained from such cooperation. The partners with whom the
academic communities cooperated differed, not so much between the two institutions as between the various faculties. The Faculty of Technology at Telemark University College and the Faculties of Mathematics and Natural Sciences and Pharmacology at the University of Oslo, for instance, all cooperated with private industrial companies. This also illustrates who was most inclined to change: the academic communities of Technology and Natural Sciences. This is regardless of whether we examine the University of Oslo or Telemark University College (cf. Chapters Six and Seven).

Policy changes which are forced upon universities or university colleges cannot easily be ignored, i.e. changes imposed upon the higher education institutions by law and those concerning principles for allocations. Many of the aspects along the structure dimension of the stakeholder regime are regulated by law. This includes the higher education institutions’ internal organisation. However, the most recent act gave more options with regard to the organisation of universities and university colleges. This study has shown that not only Telemark University College, but also the University of Oslo – a more tradition-bound institution – have adopted quite entrepreneurial options. They thereby voluntarily introduced changes that diverged from contemporary practice more than was absolutely necessary. Furthermore, these changes represented a break with the previous organisation of internal governance structures and apparently with the institutional legacy of professors, lecturers and students who wielded voting influence. Several departments have, for instance, introduced appointed heads of department and discontinued department boards. The analysis has shown that this was in line with the argument that good leadership abilities were important, in addition to academic merit. Those arguing in favour of the elected leaders did not win through with their viewpoints.

The question of where it was easiest or least difficult to implement general policy change – at the University of Oslo or Telemark University College – is not simple. It depended on the nature and mode of the changes introduced, the institutional legacy of the higher education institution, and what they were actually forced to change. Due to its size and reputation, perhaps especially that of the different research communities, the University of Oslo had more room for manoeuvre, for instance in choosing how they wanted to manage their economic and academic resources. At the same time, however, size may slow down transformations.

Chapter Five stated that the Government, an external stakeholder, encouraged the higher education institutions to develop courses of further and
continuing education in cooperation with other external stakeholders, i.e. businesses and industries. Such cooperation was interpreted as characteristic of the welfare regime – higher education being the responsibility of the state, which acts as a social planner. The University of Oslo was not very involved in the development of such courses, whereas Telemark University College made great efforts to implement public policy by offering further and continuing education. Later, commercialisation came more to the forefront in higher education policy. Accordingly, Telemark University College was more in step with national regulations and it may seem as though it was easier for the Government to implement public policy there than in Oslo.

Furthermore, universities and university colleges, here illustrated by the University of Oslo and Telemark University College respectively, have become more alike in a number of respects. Telemark University College even has ambitions of gaining accreditation as a university preferably by the year 2015. This growing homogeneity may not simply be the result of academic drift – a process which refers to the aspirations of university colleges to become more like the universities – within the University College (cf. Henkel and Våbø 2006). Like many other university colleges, Telemark University College aspires to university status but this may be due to public policy signals. Chapters Five, Six and Seven discussed the introduction of the common legal framework in 1995, the homogeneous funding system, and the increased delegation of authority, i.e. policy changes that have made the University of Oslo and Telemark University College more alike. However, at the same time, the Government still granted the University more extended autonomy and authority, for instance with regard to doctoral programmes, than it granted to the University College.

Throughout this period, professors and national authorities are the stakeholder groups that have had the most influence. Although there was a new emphasis on leadership and management skills, academics in management – usually professors – maintained their voting influence. In spite of the fact that national authorities have successively delegated different kinds of authority, they have retained their overall influence on education and research activities due to the increasing use of management by objectives and results (MbOR), etc. Students as internal stakeholders played an important role in the democratisation process in the 1970s. They played a more direct role at the University of Oslo than at Telemark University College. The analysis revealed that recently students have taken on a new role as customers. Apparently, this role has not, however, allowed them to exercise influence as significantly as they did in the 1970s. More external stakeholders have emerged over the years
even though both institutions have long traditions for cooperation with external stakeholders, cf. the discussion above. However, the number of partnerships and the scale of such cooperation have increased and so has the economic influence of the external stakeholders, cf. the growing significance of externally financed activities at both the University of Oslo and Telemark University College discussed in Chapters Six and Seven respectively.

The next question is how we should evaluate the contribution of historical institutionalism as applied to individual organisations; is it a fruitful approach, or, as indicated by some scholars (Pierson 2000), does it have weaknesses? Unravelling patterns and trends over time is in itself an important way of contributing to knowledge about the two selected cases within the context of Norwegian national higher education policy (Tight 2003, Pollitt 2008). The policy changes and reforms do not represent sudden ruptures with existing policy; many aspects are actually continued – the past persists (Pollitt 2008). At the same time, we have seen that in the early years of the period studied, only a few elements related to what is referred to as New Public Management – aspects categorised here as entrepreneurial features, e.g. the use of performance indicators, or setting up satellite activities and cooperation with external stakeholders on a profit basis – were introduced, compared to the time period when the actual path changed from a welfare regime to that of an entrepreneurial regime. This is the case whether we look at policy or practice.

In spite of the advantages of this theoretical approach in the analysis of stakeholder influence in higher education practice, this study reveals that it has its shortcomings. The study confirms previous research that shows that this theoretical approach is weak with regard to revealing potential explanatory mechanisms (Pollitt 2008). Accordingly, this is primarily due to other considerations than the use of historical institutionalism at an organisational level. Furthermore, even though it may be claimed that the presentation lacks a satisfactory account of actors, it does, however, account for a number of the involved actors. Historical institutionalism tends to be too structuralist in its approach (Peters, Pierre & King 2005). Structuralism does not emphasise actors and the weakness of the approach thus makes it difficult to incorporate actors who can explain change. However, this study aimed to combine historical institutionalism with stakeholder theory to help reduce this problem with actors. This is further discussed in Section 9.3. Moreover, in Chapter Three, I claimed that incorporating ideas and beliefs in the norm dimension would help bring agency into the analysis. However, this has only partially succeeded. Moreover, historical institutionalism as an approach does not offer a well
developed theoretical analytical tool (Pollitt 2008). The theoretical elaborations on mechanisms are weak and this study shows that historical institutionalism ought to strive to develop the mechanisms further (cf. for instance Tilly 2001). This applies especially to mechanisms other than increasing return and reproduction, which are assumed to sustain continuity, and critical junctures which trigger abrupt change.

9.3 Taking a Stakeholder Approach

The contribution of using a stakeholder approach is that makes it possible to treat all actors and groups of actors in the analysis equally and on the basis of the extent to which the matter in question affects them. It represents a certain way of thinking which is different from, for instance, taking a more traditional corporatist approach, and helps develop the approach of historical institutionalism. First, the approach opens for and facilitates the investigation of horizontal patterns of influence during earlier periods – in addition to more recent forms of interaction and influence. Furthermore, the use of stakeholders and stakeholding differs from corporatist theorising. In the latter approach, the focus is on interest organisations that have the right to take part in decision-making and/or in consultations. In contrast, the former approach, allows us to study actors’ possibility to take part in dialogues and decisions on specific matters which affect them. As such the stakeholder approach complements historical institutionalism by enabling one to search out single actors or groups of actors who interact with higher education institutions on specific issues that affect them and in which they have a stake.

This study has confirmed that there have always been stakeholders even though, in a sense, their influence on higher education institutions has become weightier over the years. Internal stakeholders such as academics other than the professors, and students at the universities gained access to voting influence through seats in decision-making bodies. At the university colleges, only a small number of internal stakeholders wielded voting influence when the regional college boards were first established. However, these boards delegated authority to the individual college councils that wielded much of the actual voting influence despite their more formal consultative role. After the mergers in the non-university sector in 1994, the university college boards, comprising by both external and internal stakeholders exercised voting influence more in line with their formal authority. Compared to the composition of the regional college boards, both students and academics as internal stakeholder groups now
increased their representation on the university college board and hence their access to voting influence. This illustrates old ideas in new bottles. Moreover, voting influence was exercised by the faculties and the faculty boards. Recently, the boards and academic leaders at both universities and university colleges have gained voting influence at the expense of national authorities. This does not mean that the Government or the Ministry of Education have renounced their voting influence in vital matters of public governance such as regulation and funding (cf. Chapters Five, Six and Seven).

Another advantage of applying a single term of stakeholding during the entire period is that it gives us the possibility to distinguish between different internal groups of actors – in order to determine their relative influence and study how the foundation for their influence has evolved over time. It may, however, be claimed that the use of the stakeholder concept blurs rather than sharpens the distinction between those who have a formal right to participate in decision-making and those who do not have such a right but who still have an influence on the same decisions. In this respect, applying a stakeholder perspective reinforces the use of historical institutionalism – it enhances the aspect of the timeline and the long, slow-moving changes. The following examples illustrate this. The first example is derived from events which took place at the University of Oslo during the third period. Along with the emphasis on management, leadership skills and the discontinuation of department boards, deans – academic leaders – and managers – all internal stakeholders – increased their voting influence at the expense of other internal stakeholders as elected board members. Put differently, academics at all levels and students lost their voting influence. However, during the first period when characteristics of the expert regime were present, the professors were the internal stakeholders who exercised the most voting influence compared to other internal stakeholders, i.e. students and lecturers. Today, it is still mainly the professors who are employed as deans – whether elected or appointed. The democratisation process which led to the subsequent spreading of voting influence to other academics than the professors and to students was to some extent temporary. Accordingly, at the University of Oslo there is reason to argue that the professors still constitute a scholarly elite, even though they have taken on new roles. It is this kind of evolvement to which old ideas in new bottles alludes. The argumentation for their position as deans has, however, changed from being based on academic merit to being based on leadership ability. The situation for the students is somewhat similar, whether we look at the University of Oslo or Telemark University College. Their role has become
multifaceted as they combine the roles of participants and customers with their role as students qualifying for a future job.

All the vocational study programmes at Telemark University College have a long tradition of various modes of cooperation with external stakeholders. First, associates working in the field often took a seat in the college council even though it was not mandatory. The Colleges of Education, Nursing and Engineering respectively argued that their study programmes needed information from and contact with the field for which they educated students. When corresponding cooperation takes place today, the cooperation would most likely be described in terms of stakeholder management but – as discussed – the idea is not new.

However, in more general terms, a disadvantage of the use of a stakeholder perspective might be that the concept does not necessarily contribute to a clear distinction between other actors or groups of actors who show up in the empirical material. Put differently, the question is whether it is purposeful to make such a distinction. According to the argument pursued here, the answer is yes – it allows us to search out those who have a stake in the issue in question and who act in some way to affect decisions rather than those who have an organised right to take part.

9.4 Further Research

My study opens up for much further research. An alternative approach for a similar study of stakeholder influence in higher education practice could be to focus on a single higher education institution and its cooperation with external stakeholders over time. Put differently, such a design would emphasise aspects that this dissertation has discussed in relation to demands on higher education and incorporate not only the mere existence of externally financed activities and satellite activities but also their organisation forms and funding principles and the economic and academic implications of such cooperation for the higher education institution. Such an investigation would trace the evolution of institutional arrangements for such relationships and cooperation. Moreover, this may allow for an investigation not only of the foundation for stakeholder influence but also of the actual influence of relevant stakeholders. Further investigation of this topic would be interesting, given the differences between faculties within one and the same higher education institution, as seen in the present study. Finally, a further delimitation of the study would be to shorten the timeframe, for instance to cover only the last twenty years. This would
permit the use of data triangulation – combining documents and interviews – as the arguments for not conducting interviews presented in Chapter Four would thus no longer be valid.

One challenge in the type of study that covers a longer timeframe is that the stakeholder groups and their ways of thinking are not necessarily the same over time. For instance, as a group the professors will most likely not share the same values over 40 years. Older professors may be more sceptical towards ideas and arrangements based on New Public Management than younger professors, cf. the discussion of different views on the use of appointed heads of department at the Faculty of Humanities at the University of Oslo in Chapter Six. Studies focusing on academic identity – a significant subfield within higher education studies (Henkel 2005, Henkel and Vabø 2006) – could thus be important in understanding such differences and their significance for differences in stakeholder influence in more depth. Differences among stakeholder groups may exist within all the categories applied in this dissertation. Businesses and industries may also change with regard to their attitudes toward universities. At a particular point in time, most of them may have primarily been interested in profit from the cooperation. Later on, the value of obtaining knowledge may have become a supplementary goal of the cooperation.
Bibliography

Public Official Documents


NOU 2003:25, Ny lov om universiteter og høyskoler, Utdannings- og forskningsdepartementet, Oslo.

Ot.prp. nr. 26 (1955), Lov om Universitetet i Oslo, Kirke- og undervisningsdepartementet, Oslo.


Ot.prp. nr. 62 (1988-89), Lov om universiteter og vitenskapelige høyskoler, Kultur- og vitenskapsdepartementet, Oslo.

Ot.prp. nr. 63 (1973-74), Lov om endringer i lov om Universitetet i Oslo, Kirke- og undervisningsdepartementet, Oslo.

Ot.prp. nr. 67 (2001-2002), Om lov om endringer i Lov av 17. april 1970 nr. 21 om retten til oppfinnelse som er gjort av arbeidstaker, Utdannings- og forskningsdepartementet, Oslo.

Ot.prp. nr. 79 (2003-2004), Lov om universiteter og høyskoler, Utdannings- og forskningsdepartementet, Oslo.

Ot.prp. nr. 85 (1993-94), Om lov om høgre utdanning, Kirke-, utdannings- og forskningsdepartementet, Oslo.

Ottosenkomiteen 1967, Innstilling om videreutdanning for artianere m.v. Innstilling nr. 2, Kirke- og undervisningsdepartementet, Oslo.

Ottosenkomiteen 1965-70, *Innstilling om videreutdanning for artianere m.m. 5 Vols*, Kirke- og undervisningsdepartementet, Oslo.

St.meld. nr. 17 (1974-75), *Om den videre utbyggingen og organiseringen av høgere utdanning*, Kirke- og undervisningsdepartementet, Oslo.


St.meld. nr. 60 (1984-85), *Om forskningen i Norge*, Kultur- og vitenskapsdepartementet, Oslo.

St.meld. nr. 66 (1984-85), *Om høyere utdanning*, Kultur- og vitenskapsdepartementet, Oslo.


Primary Sources from the University of Oslo

Academic Collegium/University Board minutes 1965-2006
Annual Reports 1965-2005 (From the year 2000 and onwards, the annual reports are only accessible online. Available: [http://www.uio.no/om_uio/arsberetning/2000/]).
Memo from the dean of the Faculty of Humanities, 19/2004
Memos from the university director 1971-1991
Oslo Innovation Centre. 2005, Annual Report 2005
Strategic Plans 1990-2009
Trovik, O. M. 1963, Universitets organisatoriske struktur. Innledning ved presseseminar 04.02.63
UiO. 1999a, Forskningsutredning. En ny formidlingspolitikk. Universitet i Oslo


UiO. 2006c, *Politikk for håndtering av immaterielle rettigheter ved Universitetet i Oslo*

---

**Primary Sources from Telemark University College**

**Telemark Regional College**
- College Council minutes 1970-1994

**Telemark College of Engineering**
- Annual Reports 1978-1994
- Programme Papers 1986-1988

**Telemark College of Education**
- Annual Reports 1977-1994
- College Council minutes 1977-1994
- Programme Papers 1980-1986

**Telemark College of Nursing and Social Work Studies**
- Annual Reports 1981-1994

**Telemark Regional College Board**
- Activity Plans 1991-1992
- Annual Reports 1976-1994
- Regional College Board minutes 1976-1994
- Programme Papers 1986-1996

**Telemark University College**
- Annual Plans 1996-2006
- Annual Reports 1994-2006
- Plan for Communication and Public Relations 2002

224


University College Board minutes 1994-2006
Secondary Sources


Andersen, S.S. 1997, Case-studier og generalisering: forskningsstrategi og design, Fagbokforlaget, Bergen.


Dzin, A. 2009, Kunskapszyner och kunskapens vyer: Om kunskapssamhällets effektiviseringar och universitetens själ, med exempel från Karlstads universitet, Karlstads universitet.

Freeman, R.E. 1984, Strategic Management: a Stakeholder Approach, Pitman, Boston.


232


Nyseth, T. & Ringholm, T. 2004, *Municipal government and the diversity of community governance* [Homepage of Roskilde University]. Available:


Prichard, C. & Trowler, P. (eds) 2003, Realizing qualitative research into higher education, Ashgate, Aldershot.


Schneider, A.L. & Ingram, H. 1997, Policy Design for Democracy, University of Kansas Press, Lawrence KA.


Stakeholder Influence in Higher Education

This dissertation deals with how national higher education policy affects stakeholder influence in practice, i.e. how two selected higher education institutions, the University of Oslo and Telemark University College, have interpreted and adapted to national policy reforms. Four stakeholder regimes: the expert, welfare, bargaining and entrepreneurial regimes, are developed in order to investigate the evolvement of norms and structures for stakeholder influence during a period of approximately 40 years.

The two higher education institutions have both undergone an evolvement of stakeholder influence in three phases where the two first phases have paved the way for the ultimately dominant characteristics of the entrepreneurial regime. At the same time, the analysis shows that the initial institutional legacies of the University of Oslo and Telemark University College differed. The University of Oslo had an established institutional legacy where the professors had the most influence, whereas the participation of other internal stakeholder groups became part of the legacy during the 1970s. Recently, ideas of strong leadership have been added to the legacy. In contrast, the institutional legacy of Telemark University College involved cooperation with external stakeholders already from the outset of the period studied here.

On a general level, this dissertation argues that policy is more likely to change practice if the changes are incremental and introduced as layering modes of change on the structural aspects of the regime models. Along with these incremental changes both higher education institutions display a number of continuous practices; cooperation with external stakeholders is one example seen in the early stage of this study, although Telemark University College initially opened up more to the outside world than the University of Oslo.