



The Novi Sad Initiative: Addressing Questions of Governance in Creating the European Higher Education Area

On 28 – 30 October 2005, participants representing a variety of countries, institutions, experiences and responsibilities gathered in Novi Sad for an *International Seminar on Higher Education: the University of the 21st Century - Emerging models of Independence*, organised by the University of Novi Sad, the Executive Council of the Autonomous Province of Vojvodina, and the German Rectors Conference (HRK), supported by the European University Association, the Council of Europe, UNESCO-CEPES, ESIB, the Salzburg Seminar and the Magna Charta Observatory and under the auspices of the Fund for an Open Society, the Konrad Adenauer Foundation. The participants are united by their commitment to making the European Higher Education Area a reality through European, regional, national and local policy and action. They agree the following conclusions and the launch of the Novi Sad Initiative:

Preamble

Having regard to:

- The fundamental importance of higher education to personal, social, cultural and economic development;
- The commitment of governments, higher education institutions and students to the creation of a European Higher Education Area by 2010;
- The recognition that European knowledge societies and economies can only be realised through strong and socially responsive higher education institutions;
- The public responsibility for securing a higher education system able to meet the demands of society and in particular to educate an increasing number and broader range of students;
- The growing expectations placed by governments and society on higher education institutions, and the ever-increasing functions that these institutions are expected to perform;
- The increasingly competitive domestic and international environments in which higher education institutions operate;
- The necessity to ensure that higher education institutions are able to respond to European, national and local needs.

the following questions need to be answered in order to make a reality of our commitment to developing a higher education area which can better serve the needs of European societies.

Questions

1. How can a longer-term strategic view inform the development of European higher education given that governments and political leaders may sometimes be focused on the short-medium term - the period between elections?
2. How can regional cooperation be developed to play a full role in enhancing the realisation of the European Higher Education Area?
3. How can European societies and public authorities be persuaded that spending on higher education institutions and students is an investment which is essential for our common future and for Europe's stated goals and ambitions?
4. Which funding mechanisms and budgetary processes can best support the objectives of European higher education systems and institutions?

5. What kind of legal and regulatory framework can best strengthen higher education institutions by safeguarding institutional autonomy, providing reliable and effective financing, and ensuring institutional accountability?
6. How can such legal and regulatory frameworks be developed in a manner that ensures sufficient objectivity, taking account of potential interference and conflicts of interest?
7. What processes could help governments and institutions develop such a framework together?
8. How can awareness be raised of the successful models and practices of institutional self-governance, which have proved to be effective in supporting institutions in fulfilling their societal goals?
9. How can quality in all aspects of higher education management be effectively enhanced whilst avoiding burdensome bureaucratic procedures?
10. How can these strategic issues for the European Higher Education Area be pursued in full dialogue between public authorities, higher education institutions, students and other stakeholders?

Principles

Recognising that the relationship between higher education institutions and the public authorities is influenced by the historical, legal, political and financial circumstances of each country, there are nevertheless certain general principles which should guide and inform decisions concerning higher education:

- *Higher education institutions must be empowered with real functional autonomy*, not only as something desirable in its own right, but because it is an effective mechanism to enable the goals of societal development to be achieved efficiently;
- *Academic freedom* must be safeguarded;
- *An adequate distance between higher education institutions and ministries* can be made through neutral expert intermediary bodies.
- The development of higher education should be informed by a *strategic and long-term vision*;
- Governments, higher education institutions, students and other stakeholders throughout Europe should work together in *partnership based upon mutual trust and confidence*;
- *Higher education institutions must be fully accountable* for the very substantial public and private funds devoted to support their mission;
- Higher education institutions must have *freedom of action* if they are to *respond effectively to increasing domestic and international competition*.
- *Quality assurance and improvement, external evaluation and accreditation* are all areas of European importance to higher education institutions;
- The role of the external authorities is to check that institutions are well-administered and are *preserving the public interest, but in ways that do not damage autonomy and do not involve bureaucratic, paper-driven regulation*;

Proposals

Issues of funding and governance of higher education and within the emerging European Higher Education Area require specific attention, and ***further dialogue between public authorities, higher education institutions, students and other stakeholders at European level as well as within Europe's regions***. The Novi Sad Initiative provides a basis for such dialogue and proposes the following ideas to be taken forward and examined in this context:

A. Effective Institutional Autonomy: an Emerging Goal

The principles of institutional autonomy are the same across many countries and a pattern of national convergence appears to be emerging internationally in higher education systems, despite different national models and types of implementation.

Experience internationally shows that a high level of institutional autonomy for higher education institutions supports the institutions in meeting their objectives and those of Government. Therefore governments need to place much more faith in the capacity of

universities to determine their own development and to respond to the challenges of innovation and creativity.

Specifically, the effective autonomy refers to:

- The replacement of direct state supervision and external micro management by other steering instruments (for example agreed targets and output control) - a shift from management by rules to the management by goals;
- Expectation that higher education institutions will respond to more freedom by establishing self-governing rules and procedures that help ensure good governance;
- Diversification of funding by higher education institutions and particularly increased private funding;
- A predictable long term funding framework with multi-year financial planning;
- Budgetary autonomy;
- The right for universities to retain earnings from their own assets or from donations and to set up holding companies (alone or with external partners);
- The right of Universities to employ their own staff and to have freedom to vary salary scales and similar remuneration according to institutional needs;
- Autonomy for universities to restructure themselves internally as they see fit and to negotiate common positions, projects and programmes with sister institutions, nationally and internationally.

B. Buffer bodies in the European Higher Education Area: an idea for consideration

Higher education buffer institutions have been established in a number of systems to act as an intermediary between universities and the government, and are concerned with such matters as funding of teaching and research, quality assurance, strategic policy development etc.

Normally, buffer bodies may receive funds from government and distribute these to higher education institutions for teaching and research on an objective basis (for example a formula), and provide other funding specific to project expenses. In other cases buffers may not have the funding functions of Government, but are concerned with such matters as quality assurance, strategic policy development etc.

The experience of those countries with buffer bodies suggests that such structures could play an important role in the European Higher Education Area, supporting the practical achievement of the principles articulated above.

Specifically, buffer bodies, operating with a substantial degree of autonomy, could:

- Facilitate the detailed steering of the higher education system within a broad policy framework determined by governments;
- Bring specific expertise and management capacity to bear which can facilitate strategic development of the higher education sector;
- Encourage long term strategic planning of the higher education system;
- Promote subsidiarity and allow long term considerations to inform decisions;
- Safeguard and promote university autonomy;
- Provide for a separation of functions, ensuring that governments focus on setting national policy while institutions deliver such policies;
- Safeguard and help promote and improve academic standards and promote commitment and cohesion;
- Limit unnecessary bureaucratic control, interference and micro management;
- Limit direct political involvement in higher education institutions and the inappropriate use of the power of the purse to constrain academic freedom.

C. Regional Cooperation: A Driving Force in Creation of the European Higher Education Area

Having regard to the cultural diversity of European regions, a diversity which can be exploited as an advantage, the exchange of experience in developing higher education systems in the regions should be intensified.

Regional cooperation is understood here in a generic sense, offering a range of possibilities for initiatives which could provide solutions on the wider European scene.

Specifically, the Novi Sad Initiative recognises the following issues to be taken forward:

- A need to intensify the exchange of experiences in developing HE systems in European regions beyond national borders, taking advantage of the Bologna Process;
- Creation of various and simultaneous frameworks for regional initiatives and meetings in order to discuss common issues, and develop common positions;
- The strategic use of European research and mobility programmes, Tempus joint projects etc. to develop cross-border regional contributions to both the emerging European Research Area (ERA) and European Higher Education Area (EHEA);
- Using the cultural diversity in a region to build up the European convergence of countries/universities in the area;
- Reinforcing the mobility of academic staff and students inside regions, and between the regions of the EHEA;
- Developing the collective dimension of university autonomy to ground and reinforce higher education lobbying to put pressure on governments to fulfill the responsibilities they agreed to when signing the Bologna Declaration.

The Novi Sad Initiative and Next Steps

The Novi Sad Initiative has been launched to address a set of issues that are crucial to the implementation of the European Higher Education Area, and to promote more effective regional cooperation. It can be considered as a rehearsal for a follow up event to be taken by governmental representatives and brought to the attention of the political and academic leadership of Europe.

We strongly encourage others, building on this initiative to take similar steps to address a variety of common issues and concerns in the diversity of local, national and regional contexts that comprise the rich tapestry of the emerging European Higher Education and Research Area.