11. What Next? The Challenges of Policy Implementation

11.1 Introduction

Education constitutes one area of public intervention in which reform is a recurrent theme. This is all the more true of tertiary education where in the past decades, structural changes in the external environment, participation patterns and growing demands from the sector have called for its modernisation and new models of governance, funding, quality assurance, relations with stakeholders *etc*.

The previous chapters have thus identified a number of policy directions for tertiary education authorities to consider in their national context to achieve their tertiary education goals. Some of these policy suggestions are already in place in a number of countries, while they may have less relevance for other countries because of different social, economic and educational structures and traditions. A key challenge ahead for policy makers is therefore to identify which policies would work best in their national context and circumstances, and in a second stage to move from knowing what changes are needed to implementing those changes successfully.

Chapter 3 examined the shaping of tertiary education policy and the process of policy development in different national contexts, with specific emphasis on evidence basis, peer-learning, tradeoffs, policy coordination and consultation processes with stakeholders. This last Chapter by contrast focuses on the challenges of policy implementation in tertiary education, with special emphasis upon issues of social acceptance and political feasibility. Indeed, educational reforms often entail costs for some groups while their benefits are less certain, more diffuse and in any case delayed in time. This feature makes implementation a complex task for policy makers, one in which political economy considerations are of key importance.

The analysis draws on lessons from national experiences as well as from the political economy literature, with a view to identify triggers to take reform agendas forward. The Chapter starts with a review of lessons from past experiences which suggest that a precondition for successful policy implementation is to reconcile the diverging interests of a wide range of stakeholders, and to convince them that the reform is the way forward. Along this course, policy makers need to carefully analyse policy alternatives and their likely impact and discuss them with stakeholders to aim towards consensus. The analysis then identifies some common impediments to reform, with a view to overcome them and develop the conditions conducive to successful policy adoption. But although supportive circumstances are a necessary condition for successful implementation, they are not always sufficient, especially when the situation of some stakeholder groups is likely to worsen – or perceived so – as a result of the reform. The Chapter therefore ends with a discussion of bargaining processes and costs of reforms, as well as incentive structures facilitating compliance with new policies, as a way to ensure policy implementation in the longer term.

11.2 The complexity of policy implementation

Tertiary education policy is relevant to – and impacts on – a number of different stakeholders who have an interest in tertiary education, but whose views on its roles and goals, and hence on the strategies and policies needed to achieve these goals, often diverge. Depending on where they stand in the tertiary education sector, stakeholders may jeopardise the implementation of tertiary education policy in different ways. As a result, a challenging task for policy makers is to find a balance between these diverse views and aims in developing and implementing tertiary education policy, so as to build consensus and ensure that no single group vetoes or jeopardises the implementation of tertiary education policies.

11.2.1 Wide range of stakeholders and views on tertiary education policy

Stakeholders can be defined as individuals or organisations that can either influence or be affected by an organisation's actions (Johnson and Scholes, 1999). Mitroff (1983) further suggests that one should distinguish between internal stakeholders – *i.e.* those individuals or groups who affect and impact change within the system from the inside such as students, academics and tertiary education institutions (TEIs) – and external stakeholders who exert their influence from the outside, such as national authorities, trade union confederations, trade and employer associations, large companies, lobbyists and educational researchers.

Stakeholders often have different motives and objectives with respect to tertiary education, and each group tends to privilege different aspects when it comes to reform and policy development (Vroeijenstijn, 1995; Jacobs and van der Ploeg, 2006). For instance, educational quality, teaching performance and career opportunities are what matters to students and graduates, along fulfilment of personal interests and individual development. Employers and industry representatives share this concern for tertiary education to transmit the right set of knowledge, skills and attributes to students and to prepare them for working life, but they are also interested in the capacity of tertiary education to contribute to research and innovation and regional development. By contrast, academics often show more interest in policies relating to knowledge transfer, learning environments, quality and motivation of students, research quality and the level of interaction between teaching and research, as well as tenure possibilities. Numbers of students, the prestige of TEIs, their ability to compete internationally in research and sufficient autonomy to fulfil their mission are the issues at stake from the perspective of TEI managers while government authorities – as significant funders of tertiary education – are concerned with the efficient allocation of scarce public resources and hence policies enhancing value for money and accountability towards taxpayers. In the context of growing participation in tertiary education and acute pressures on public budgets, government authorities show increasing interest in cost-sharing models while students and their parents tend to resist changes in that direction.

As illustrated above, the interests of all stakeholders in tertiary education are not necessarily aligned, and as a result of these different objectives, they usually do not share the same views about tertiary education problems and solutions (Mitroff, 1983). The situation is further complicated by the fact that within each stakeholder group, several views often prevail, *e.g.* between different students' or teachers' unions, different types of TEIs, different sectors of industry, quantitative and qualitative researchers, or between central or regional policy makers.

11.2.2 Difficult consensus-building over policy initiatives

This diversity of views makes the policy making exercise particularly challenging, especially so given that policy makers often represent one of the stakeholder groups – the government authorities – and therefore they need to reconcile different perspectives to avoid the perception that education policy is imposed to other groups in a top-down fashion. Indeed, some degree of consensus is necessary for policy to translate into effective change. As put by Gornitzka (1999), "for organisations to change as a result of government initiatives a normative match is necessary, *i.e.* congruence between the values and beliefs underlying a proposed programme or policy and the identity and traditions of the organisation."

Johnstone *et al.* (1998) distinguish however between popular and contentious policy initiatives – such as the introduction of student aid *vs.* tuition fees for instance – with consensus being obviously easier to achieve for the former than the latter type of policy initiatives. As a result, popular policy initiatives are more likely to be adopted and successfully implemented, whereas less consensual initiatives may be blocked or simply fail to deliver the desired objectives at several stages of the policy development and implementation process, depending on which stakeholder groups oppose the extent to which this opposition is translated into action.

Yet, on occasions policy makers may have to implement policy reforms in the absence of consensus because they believe it is the right thing to do and stakeholders' views are irreconcilable. In such conditions however, explanatory processes and compensatory measures are an important aspect of the ultimate success of implementation.

11.2.3 Diverse forms of policy failure

Throughout this Chapter, policy is defined as a public statement of an objective and the kind of instruments that will be used to achieve it, while the degree to which the predicted consequences take place is called implementation (Gornitzka, 1999). A distinction needs to be made, however, between policy initiatives of a more intentional nature – which are usually established through some form of statement of intention – and more coercible policy proposals which usually have to undergo some type of legal approval to be enforced. As a result, policy adoption takes place in many countries between the policy proposal and policy implementation stages.

Proposed policy initiatives may be unsuccessful at different points along the policy process, resulting in different forms of implementation failure. During the policy development or adoption process, some stakeholder groups may voice strong opposition to policy proposals, essentially by means of intense lobbying by external stakeholders, and demonstrations or strikes by their internal counterparts. The views of government authorities and society at large usually express themselves through the placement of proposals on the policy agenda for the former, and democratic adoption processes for the latter. Finally, policy initiatives may fail to deliver the expected results during the implementation stage either as a result of non compliance by various stakeholders, or partial implementation only.

There are indeed abundant examples of tertiary education reform failures. In addition to massive student or academics demonstrations or strikes – of which most countries have a memorable case in point – and policy initiatives rejected by Parliament, the two most common problems encountered during policy implementation relate to the so-called

"implementation gap" as well as the implementation of partial reforms only for fear of sparking stronger rebellion.

The implementation gap refers to the difference between the planned outcomes of policy and the outcomes of the implementation process (Newton, 2001). While the lack of preparedness of those deemed to implement reforms on the ground may explain this gap, a range of authors also stress the discretion exercised by "front-line" workers, or "street level" bureaucrats whereby the relative autonomy enjoyed by some actors within the system grants them the power to put into practice the policy initiative at the point of implementation (Lipsky, 1980; Prottas, 1978). In this logic, policy initiatives unpopular with academics and TEIs' leaders or perceived as unnecessary (or worse, ill-conceived) will be at best half-heartedly implemented, at worst actively resisted.

From a theoretical perspective, the implementation gap has been modelled by Reynolds and Saunders (1987) through the notion of the implementation staircase. They show how the location of individuals and stakeholder groups in the hierarchy of the policy process – from national policy makers to institutional leaders, department heads, frontline academics and student responses – can shape their interests and perceptions about the relevance of particular policies and explain the reasons for the development of an "implementation gap" as policy is refracted during its trajectory down, and up, the staircase. As put by Trowler (2002), "there is a loosely coupled relationship between policy initiatives at the upper level of the implementation staircase and outcomes on the ground." According to Theisens (2004), one of the most important reasons for the failure of top-down design and implementation of policies is the pervasive tradition of autonomy. Academic autonomy is highly valued at all levels of the tertiary education system: the TEI, the chair and the individual academic. In each relationship (government-TEI, TEI-chair and chair-individual academic) interventions are likely to be resisted as these are perceived as infringing on autonomy and therefore illegitimate. The implementation gap models highlight the importance of garnering support from the people on the ground as one of the most strategic approaches to encouraging active policy implementation.

Another common problem of tertiary education policy reform derives from partial implementation. As the analysis of Chapter 3 underlined, the policy development process is often characterised by difficult tradeoffs which call for sound reform packages where different policy initiatives aim at counterbalancing the side effects of other proposals in order to avoid perverse effects. If only some of the measures are adopted, the reform may then generate unintended and damaging consequences. For instance, partial reforms introducing tuition fees to finance expansion but without income-contingent loan schemes to warrant accessibility may have a disastrous effect on equity by limiting access of the less affluent students. Likewise, Perotti (2007) describes the unintended effect of a reform granting more autonomy to Spanish universities in setting their own academic programmes in the mid-1980s. In the absence of simultaneous reforms to strengthen a managerial type of institutional governance indeed, this autonomy reinforced internal actors, and the reform resulted in a proliferation rather than a streamlining of university qualifications, as the academic community pushed for more specialisation as a way to multiply professorial chairs.

Jacobs and van der Ploeg (2006) provide another illustration of the unintended effects of partial implementation, relating the "sorry tale" of Dutch mergers of TEIs in the 1980s and 1990s. These mergers aimed at reducing overhead costs relative to expenditures on teaching and research through economies of scale in order to compensate for the decline

in real terms of contributions per student. Yet, the reform yielded opposite outcomes with a massive increase in overhead costs and a fall in resources per student for teaching and research, which the authors attribute to the absence of parallel reforms to foster competition between TEIs. Indeed, they argue that in the absence of competition-enhancing measures, the increase in scale created oligopolistic market situations in tertiary education and produced adverse incentives on TEI management discipline. A 2007 study concludes that overhead costs in tertiary education are now – at about 25% – in par with those observed in other public and semi-public sectors (Huijben and van Rosmalen, 2007).

Partial reforms are often the result of insufficient resources to implement the full reform package or fear of resistance on the more contentious measures of the policy package. Yet, experience suggests that controversy over policy initiatives is not necessarily a definite barrier to policy implementation, and consensus can be reached for seemingly contentious reforms. Johnstone *et al.* (1998) report for instance how the rector of the University of Sonora in Mexico managed to build consensus with his staff and students to introduce student contributions to the costs of their education in 1993,[92] whereas any attempt to introduce cost-sharing had been fiercely resisted in other Mexican public universities – especially at the *National Autonomous University of Mexico* (UNAM, Rhoads and Mina, 2001). These examples highlight the need to explore lessons from experiences in greater depth to draw insight on obstacles to successful outcomes as well as conditions that facilitate policy implementation.

11.3 Lessons from success stories

There is abundant literature on educational reforms in an international comparative perspective and their outcomes in diverse national settings (Fiske, 1996; Johnstone *et al.*, 1998; Corrales, 1999; Kogan *et al.*, 2000; Harman and Harman, 2003; Jacobs and van der Ploeg, 2006). These studies permit to draw lessons from both success stories and policy flops, and to better understand the factors that help or hinder the successful implementation of policy initiatives in the educational area. With respect to success stories, most studies underline the importance of the context in which tertiary education policies are proposed, the clarity of their objectives and rationales to all stakeholders, and the value of consensus-building during the policy development stage.

11.3.1 Context for policy reform

International pressure and competitive environment

With respect to the context in which tertiary education policies are proposed, evidence suggests that international pressure and competitive environments are more likely to diffuse a sense of ineluctability of some reforms among the various stakeholders and the public at large. Finlay *et al.* (1998) note for instance that external stimuli such as a competitive threat or a common enemy (*e.g.* unemployment) often result in a joint recognition of the need for a change to take place that can lead to a united front of stakeholders.

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92. In Sonora, students accepted the principle of a contribution to generate supplementary resources towards quality improvement initiatives. The corresponding funds are administered by a joint student-faculty committee and information on the use of the money is disseminated every year (Johnstone *et al.*, 1998).

In Europe for instance, Perotti (2007) highlights how supranational conventions such as the Bologna Process have triggered a restructuring of academic programmes to enhance comparability and mutual recognition of tertiary qualifications among countries – along the Bachelor-Master-Doctorate (BMD) degree structure and the European Credit Transfer System (ECTS) – which national actors would not otherwise have undertaken. As a result of this international pressure, most European systems have restructured their tertiary education delivery, or are in the process of doing so (see Chapter 10, Huisman and van der Wende, 2004; Bologna Secretariat, 2007).

Similarly, the implementation of wide-ranging "big-bang" tertiary education reforms in Japan in 2004 were reportedly facilitated – despite initial resistance within TEIs – by a widespread political and public sentiment that reform was overdue and that, in comparison with the systems of peer countries in North America, Australasia and Europe, Japanese universities were falling behind (Amano and Poole, 2005). In New Zealand, the implementation of wide ranging reforms in the tertiary education sector also benefited from widespread social acceptance of the reforms being the right way forward for the system.

While international benchmarking and competition may spur the acknowledgement of problems and the acceptance of changes within the public and stakeholders, Jacobs and van der Ploeg (2006) argue that competition and market forces within the domestic tertiary education system also have potential to facilitate policy implementation with respect to internal stakeholders. Indeed, they claim that insufficiently competitive tertiary education systems generate larger monopoly rents and exacerbate rent-seeking activities of insiders and their resistance to policy initiatives likely to trim down those rents.

Consensual nature of policy making

A number of authors also stress the assistance of consensual modes of policy making for successful adoption and implementation of policy initiatives (Fiske, 1996; Johnstone *et al.*, 1998; Finlay *et al.*, 1998; Corrales, 1999; Bleiklie, 2000; Lindell, 2004).

There is extensive evidence that consensus is almost a prerequisite for successful implementation of policy reforms. As noted by Fiske (1996) with respect to school decentralisation, researchers are almost unanimous in arguing that if school decentralisation is going to be successfully carried out and have a positive impact on the quality of teaching and learning, it must be built on a foundation of broad consensus among the various actors involved and the various interest groups affected by such a change. And in fact, he observes on a basis of a comparative analysis that countries where leaders sought to build consensus for reform happen to be those where decentralisation was most successful. Even in countries where early attempts failed – such as Chile and Mexico – decentralisation policies were eventually implemented successfully once a deal was struck with teachers, despite the fact that this group remained suspicious with school autonomy overall.

Systems where the nature of policy making is consensual therefore face brighter conditions for successful policy implementation. There are several reasons for this. Firstly, consensual policy making is characterised by iterative processes of proposals and feedback which allow legitimate concerns to be taken into account, and hence reduce the likelihood of strong opposition by some stakeholder groups. There is evidence in Norway for instance that the continuous dialogue and consultations between TEIs and political authorities that characterised the preparation of the *Quality Reform* – including the use of

a Royal Commission representing the main stakeholders – facilitated its acceptance and implementation. Likewise, many policy developments in the United Kingdom would have been more difficult to implement without iterative amendments which have for the most part been introduced following consultations with academic staff.

In addition, consensual policy making forces different stakeholders to work together constructively rather than engage in fruitless opposition. Lindell (2004) notes for instance that in Sweden, "even though the stakeholders are opponents in appearance, the everyday work in parliamentary commissions and joint working groups is done by a small group of professional elites whose agenda is not always optimised for their members only, but for the interest of the nation."

Trust between stakeholders

But the main benefit of consensual policy making lies in its role in building trust between the various stakeholder groups and policy makers. The experience of countries participating in the Review suggests that mechanisms of regular and institutionalised consultation – which are inherent to consensual policy making – contribute to the development of trust among parties, and help them reach consensus. In the case of Norway, Trowler (2002) notes that top civil servants and university professors form an intimate and close community of individuals who know each other personally and share a common background. Being a very specialised group in society, these professionals know and trust each other very well, and hence develop a refined strategy where policy bargaining is common.

Building consensus and trust over time

While consensual policy making and trust between parties are critical assets to ensure successful implementation of tertiary education policies, it is not suggested that countries whose contextual conditions are less supportive have no chance of successfully reforming their tertiary education system. Indeed, Lindell (2004) shows how consensus can be built over time. His analysis of a reform of tertiary vocational education in Sweden illustrates how conflicting interests of stakeholders can be reconciled by having them work together towards a policy proposal: "the somewhat fierce ideological disagreements that had characterised the initial proposal from 1995 had radically changed during the years from 1996 to 1999 (…) There was a clear shift of rhetoric actions before and after the 3 years of the pilot project". According to Lindell, working together on a daily basis to get the pilot project running contributed to the emergence of a common view among stakeholders. Likewise, the introduction of the *Higher Education Contribution Scheme* (HECS) in Australia in 1988 was initially strongly opposed by all active student groups and the subject of much political agitation in opposition to it, though it has since achieved a significant level of acceptance.

11.3.2 Clear objectives/purposes of policy reform

Another factor which is often put forward by researchers when analysing the reasons for the success or otherwise of policy adoption and implementation relates to the communication of the objectives and purposes of reforms. Indeed, Olsen (1989) notes that policies are more likely to succeed if their intentions are focused and well defined rather than ambiguous. There are three main reasons for this.

Firstly, evidence suggests that reforms are more likely to be adopted and implemented if the pressure to reform comes from the citizens (Amano and Poole, 2005). In this perspective, communication on the objectives and purposes of reforms can help secure public support for new policy initiatives.

In addition, several studies claim that a clear vision on the goals of tertiary education, and how these goals can be reached, is also necessary to avoid tertiary education policy being *ad hoc* and mainly driven by special interests (Gornitzka, 1999; Jacobs and van der Ploeg, 2006). Indeed, policies formulated under pressures of contending parties with different interests and values tend to have multiple, conflicting and vague intentions, and the price one pays for accommodating them are policies with inherent tensions and contradictions (Bleiklie, 2000; Trowler, 2002).

The end result is a lack of clarity between conflicting signals for stakeholders within the system. These unclear rationales for policy initiatives undermine their acceptance by those who are ultimately to implement the policies, and make implementation and compliance a particularly challenging task for policy makers.

11.3.3 Process of policy development

Empirical evidence also pinpoint to a number of patterns of the policy development process that tend to be associated with successful implementation of tertiary education reforms. In light of the critical importance of consensus for the success of policies, a number of these patterns have a bearing on outcomes through their effect on consensus-building. However, the magnitude of tertiary education reforms and the role of policy entrepreneurs are other key dimensions.

Magnitude of tertiary education reform

Corrales (1999) observes – on the basis of a thorough review of education reforms implemented in the 1980s and 1990s worldwide – that incremental approaches to policy reform stand greater chances of acceptance than complete overhauls of education systems. Cerych and Sabatier (1986) observe similar patterns for tertiary education reforms implemented in Europe in the 1970s and conclude that the degree of success is highest in cases of policies aiming at mid-level change both in terms of breadth and depth.

According to Johnstone *et al.* (1998), this pattern derives from the widespread sentiment among academics that they have a role to play in defending TEIs as proper and necessary bastions of continuity and tradition, and in protecting the custom of academic freedom. But political feasibility considerations are also put forward to explain this feature. Haddad (1994) argues for instance that gradual reforms incur fewer political difficulties because a narrow scope allows policy makers to test the acceptance of reforms, avoids the national spotlight, keeps to a minimum the number of cost-bearers and is less likely to provoke their mobilisation.

At the same time, the experiences of some countries participating in the Review suggest that comprehensive and far-reaching "big bang" reforms are not necessarily doomed to fail. In particular, the implementation of wide ranging reforms in Australia, Japan and New Zealand illustrates how "big bang" types of tertiary education reforms can be achieved successfully, provided they benefit from wide support among stakeholders. This emphasises the importance of consensus-enhancing patterns of policy development.

Consensus-enhancing patterns of policy development

Involvement of stakeholders with combined top-down and bottom-up participation

There is broad agreement in the literature that the involvement of stakeholders in tertiary education policy development cultivates a sense of joint ownership over policies, and hence helps build consensus over both the need and the relevance of reforms (Finlay *et al.*, 1998; Harman and Harman, 2003; Lindell, 2004; OECD, 2007; Perotti, 2007). This engagement of stakeholders can take place at several points in the policy development process, at the initiation, development and implementation stages.

With respect to the initiation of new policies, the combination of top-down and bottom-up initiatives is generally believed to foster consensus (Finlay *et al.*, 1998). Indeed, policy proposals instigated in a bottom-up fashion – *e.g.* as a result of bottom-up campaigning for change on the part of parents, students and local communities – contribute to building ownership for policy initiatives by stakeholders and usually receive wide public support, making it more difficult for internal stakeholders to resist them (Amano and Poole, 2005). Likewise, there is increasing recognition of the potential of promoting initiatives by internal stakeholders to garner their support. For instance, a recent study of evidence-informed policy making underlines how the involvement of practitioners – teachers, other educational staff and their unions – in the production of research evidence and in its interpretation and translation into policy gives them a strong sense of ownership and strengthens their confidence in the reform process (OECD, 2007). Shared ownership of internal stakeholders over research results also encourages implementation in a way that something imposed externally by researchers on teachers does not (Slavin, 2006; OECD, 2007).

The process for the development of Mexico's 2001-2006 *National Education Programme* (*Programa Nacional de Educación*, PRONAE) illustrates the potential contributions of bottom-up initiatives. The programme was developed on the basis of extensive input from a range of stakeholders, including TEIs, researchers, students, alumni, employers' associations, education authorities, as well as the education commission of the legislative branch and other public and private agencies. Over 8 000 proposals were sent by interested parties through different channels (including an Internet Web site) or presented at the 32 forums carried out in Mexican states for that purpose. The information received was subsequently classified and analysed, and the Ministry validated about 30% of these initiatives. Many citizens and TEIs were thus parties in the Programme's design.

The involvement of stakeholders is also important during the policy development phase. Processes of regular and institutionalised consultations establish a policy making process that is strongly oriented towards consensus among parties. Another merit of structured consultations with stakeholders is that their regular involvement in policy design helps them build capacity over time, as evidence by Sweden where the regular involvement of stakeholder groups in commissions has led them to build large and well-staffed research departments over time (Lindell, 2004).

Among countries participating in the Review, consultation processes with stakeholders are common although the specific modalities and actors involved vary between countries. Consultations are institutionalised by law in the Czech Republic and Poland. In Estonia, Finland, Iceland, Norway, Sweden and Switzerland, they are part of cultural traditions with wide consultation and participation in decision making by all key

stakeholders being expected and accepted parts of the public policy process. Yet in other countries, consultations take place either regularly through consolidations of views and various committees (Korea, the Netherlands, New Zealand and Portugal) or on an *ad hoc* basis when developing specific reforms of tertiary education – as illustrated by the experiences in Australia and Spain (see Chapter 3).

In Estonia for instance, the usual procedures for preparing policy proposals include consultation with all stakeholders' representatives, usually in the form of discussions and official approval rounds. In the case of broad policy directions or special legislative reforms, the Minister usually assembles a special task force with a specific assignment, which is sometimes led by outside experts. The Rectors' Conferences, students' federation and other bodies are then asked to nominate their representatives. The conclusions of these working groups are taken as recommendations to the Minister, and although not legally binding, they are most often taken as a basis for decisions.

Other interesting models from a consensus-building perspective are systems where stakeholders are involved in prioritisation exercises which subsequently form the basis for policy implementation – *e.g.* in the allocation of resources. In Australia, Chile and Poland for instance, stakeholders are involved in the definition of national research priorities which then have implications for the allocation of research funds. In Poland, the first steps of a prioritisation exercise were taken in 2005 with the launching of the National Framework Programme. A wide consultation was launched – under the joint auspices of the Ministry of Education and Science and the Council for Science – to identify research priority areas. The process resulted in over 1 600 proposals from ministries, regional and local authorities, business organisations and research units within TEIs, from which nine strategic areas were identified. Similar prioritisation processes exist in Australia and Chile that involve the research and scientific community as well as the business community and the wider society.

But the importance of bottom-up initiatives is not confined to the development of tertiary education policies. They can also be extremely important afterwards, to ensure the successful implementation of policies. For instance, Harman and Harman (2003) observe as regards institutional mergers that voluntary fusions are easier to organise and more successful, largely because it is possible to achieve a substantial degree of staff involvement in negotiations and implementation, leading usually to a strong sense of ownership. Consultations with stakeholders are also useful during policy implementation, through feedback and iterative improvement of tertiary education policies.

Rational debate

A number of authors also advocate the organisation of public discussions and nation-wide debates to identify challenges facing the tertiary education system and to provide consensual directions for its medium and long term strategy. It is argued that focusing on building consensus on the strategic direction for the system not only enhances stakeholders' understanding of resources constraints and tradeoffs and avoids a concentration of the debate on resourcing issues, but also improves the likelihood of their support for policies emerging from the jointly-agreed strategy.

Indeed, Fiske (1996) observes that "individuals and groups will be more likely to accept changes that are not necessarily in their own best interests if they understand the reasons for the changes, have a chance to participate in the debate, and believe that the process has been honest and transparent." Likewise, Jacobs and van der Ploeg (2006) note

that "politicians and policy makers are currently not capable of convincing the public of the benefits of certain reforms" and call for a rational debate with a stronger emphasis on the general interest to avoid *ad hoc* policies driven by special interests. Finlay *et al.* (1998) also emphasise the importance of reaching early agreement on important goals, and of making the process as transparent as possible so that those groups or individuals excluded from the debate can follow the policy process from the inside. Opening up the policy arena to all walks of society – including political opponents – generally proves an effective strategy (Arellano, 2001).

Several countries participating in the Review have established such debates as part of their tertiary education reform processes by way of national consultations or commissions, and these have generally proved effective in terms of implementation outcomes as they facilitated securing the support of public opinion and other stakeholders. In the case of Chile for instance, Arellano (2001) highlights that the composition of the *Commission for the Modernisation of Education* – which involved a number of eminent and distinguished members coming from a range of backgrounds and political affiliations – may help explain its ability to gain legitimacy and secure a fair degree of support and consensus for its proposals.

Dissemination of evidence underlying reforms and role of media

Such rational debates are more likely to be effective if all stakeholders have access to evidence underlying the policy proposals. This applies to both internal stakeholders who may want to see the external evidence on which a proposed innovation is based before approving a change in policy or practice at the institutional or classroom level, as well as external stakeholders to convince them of the merits of a specific policy reform. In this respect, two approaches may contribute to consensus-building.

Research or intermediary bodies have proved successful strategies to mediate the research evidence by providing a unique gate entry to publications and research on tertiary education. In doing so, they can play a crucial role in helping convince practitioners and society at large. They are indeed important contributions to raise awareness on problematic issues, to enhance national debate and disseminate evidence on the effectiveness and impact of different policy alternatives, and hence to find a consensus on tertiary education policy. In Sweden for instance, The *National Agency for Higher Education* publishes the results of the majority of enquiries undertaken on its Web site [www.hsv.se]. Similar dissemination takes place in Australia, the Netherlands, New Zealand and the United Kingdom (see Chapter 3).

With respect to public opinion, the media may also prove a useful dissemination tool. Emphasis on international comparisons in media reports may raise awareness for the need for a change to take place among the public. Likewise, ideas which are generally perceived as intuitively reasonable gain power and support of public opinion. This is especially the case where they are promoted by the media, who often play a major role in shaping, or stunting, the policy agenda. They can then be used as a basis for policy change and educational reform regardless of whether there has been any empirical testing (OECD, 2007). In the United States context for instance, Cohen-Vogel and Ingle (2007) show how the media were instrumental in introducing the idea of a merit-based grant aid to legislators across states.

Iterative process taking political factors into account

The empirical literature of education policy implementation also shows wide support for iterative policy development, as a way to facilitate the early identification of potential opponents to reform, and to address part of their concerns through adjustments in subsequent iterations of the policy proposals (Ball, 1994; Bleiklie, 2000; Trowler, 2002; Lindell, 2004). Indeed, it is argued that policy development is frequently far from the simple mechanical application of means to realise given ends by policy "architects" or "engineers", but rather consists of a process of negotiation and compromise with multiple influences and agendas. As put by Trowler, "at the institutional level, as at the national, policy making and policy implementation are more likely to be the result of negotiation, compromise and conflict than of rational decisions and technical solutions".

Recent reforms of tertiary education in Australia illustrate how iterative adjustment of policies can help secure the support of internal stakeholders. Indeed, the new accountability environment that was associated with the 2002-2003 reforms received complaints from the sector due to the increased reporting burden on universities. The then *Australian Vice-Chancellor Committee* (AVCC) (now *Universities Australia*) went as far as claiming that the autonomy of universities was under threat and commissioned independent research to investigate this assertion. As a result, the then *Department of Education Science and Training* reviewed reporting requirements with the AVCC in 2002-2003, and many requirements were dropped or reduced in scope, to the satisfaction of the AVCC.

In the same vein, Lindell (2004) describes how iterative processes in policy development reconciled diverging interests of stakeholders in the Swedish context. He depicts the different steps of a reform of higher vocational education and training that helped move from conflicting interests of the different stakeholders to collective consent. The reform process was initiated by a commissioned study which provided a diagnosis and suggested proposals for improvement. Stakeholder groups were invited to respond to these proposals, on the basis of which a pilot project was launched for a three-year period that made concessions to several of their views. A parliamentary committee was established to monitor and evaluate the pilot reform, with the involvement of the stakeholders. After three years of trial, an independent evaluation of the pilot reform was carried out by a research team which no longer showed signs of dissent between stakeholders. The continuation of the reform beyond the pilot phase was unanimously supported. In Lindell's view, one explanation for this shift towards consensus is that the daily work of getting the pilot project running helped the stakeholders build trust and finally resulted in this common view.

Policy experimentation and pilots

And in fact, policy experimentation and the recourse to pilot schemes can prove powerful in testing out policy initiatives and – by virtue of their temporary nature and limited scope – overcoming fears and resistances by specific groups of stakeholders. In fact, Lindell (2004) attributes the success of the Swedish reform of higher vocational education and training to its step-by-step implementation in which the pilot project "*de facto* put stakeholders in 'quarantine' and gave them a common responsibility, which together with the work on a daily basis of getting the project running finally resulted in a common view". Policy experimentation is facilitated and common in Federal state structures where there is evidence of policy-borrowing and emulation across states and provinces (see Chapter 3 and McLendon *et al.*, 2005).

Role of policy entrepreneurs

A number of authors also underline the potential of "policy entrepreneurs" in moving policy agendas forward and promoting tertiary education reforms. Cohen-Vogel and Ingle (2007) define them as agents who "marshal indicators and invest considerable resources to bring their conceptions of problems to policy makers' attention, and try to convince them to see problems their way" and claim that in the United States they were instrumental in introducing the idea of a merit-based grant aid to legislators across states (Cohen-Vogel and Ingle, 2007). Likewise, the Polish Rector's Conference has reportedly been "lobbying the parliament to interpret the new constitution in a way that would legalise tuition" (Johnstone *et al.*, 1998).

However, research suggests that the influence of such policy advocates is most important at the initiation stage of policy development. Indeed, Cohen-Vogel and Ingle (2007) describe policy making as a sequential process – starting with the identification of a public problem, its placement in an agenda queue, the formulation of proposed courses of action to address it, and the adoption of these policy options – in which they show that policy entrepreneurs' influence is strongest during the agenda-setting.

11.4 Understanding failure and overcoming obstacles to tertiary education reform

In the same way as the analysis of success stories helps identify conditions conducive to successful policy implementation, less successful experiences pinpoint frequent obstacles to tertiary education reform, and can therefore assist policy makers in designing and implementing tertiary education policies in a way that minimises the risk of failure and improves the odds of successful outcomes. In this respect, a number of studies have explored the outcomes of education policy implementation from an internationally comparative perspective, and have underlined some common impediments to education reform (Fiske, 1996; Finlay *et al.*, 1998; Johnstone *et al.*, 1998; Corrales, 1999; Bleiklie, 2000; Kogan *et al.*, 2000; Harman and Harman, 2003; Jacobs and van der Ploeg, 2006). These common obstacles derive from resistances to reform by different stakeholders which have three main origins.

Indeed, a first range of obstacles stems from the resistance of some actors to new tertiary education policies – irrespective of their merit *per se* from a social perspective – in case these policies incur more costs than benefits to them at the individual or group level. For the sake of analysis, these obstacles may be labelled in terms of rational behaviour of actors in a political economy perspective. A second range of factors result from resistance to reform due to imperfect information of stakeholders – either on the nature of the proposed policy changes, their impact, and most importantly, information on whether or not they will be better or worse off at the individual or group level. Finally, a number of authors highlight the importance of factors of a more psychological nature, whereby tertiary education reforms may encounter opposition due to the lack of preparedness of the public opinion and insufficient social acceptance for the reforms.

11.4.1 Rational behaviour: political economy of reform

A first series of obstacles to tertiary education reform stems from the behaviour of the various stakeholders and their interactions through the political process. Whilst initially developed to explain the processes of economic reforms, a number of public choice models have been used to enlighten the implementation of reforms in tertiary education.

These models – which are often referred to through the broad formulation of "political economy of reform" – rely upon the basic assumption that all actors involved in the policy making process – *i.e.* policy makers, voters and stakeholders – are rational self-interested agents whose decisions and actions are guided by the maximisation of an individual or group "utility function" (Tullock, 1987; Buchanan, 2003). The interactions of these different agents each pursuing different objectives – *e.g.* re-election for politicians, rent-seeking for some groups, maximisation of benefits for others – result in strategic games, political coalitions, and often, in collective decisions that are not in society's best interest. Important to these models are the use of modern economic tools such as decision, game and median voter theories to explain the adoption or failure of policies. While it is not the purpose of this Chapter to review this broad literature, the main political economy mechanisms impairing tertiary education reform are summarised below.

Internationally comparative studies of tertiary education policy implementation suggest that political economy considerations are of critical importance when it comes to tertiary education reform (Fiske, 1996; Johnstone *et al.*, 1998; Corrales, 1999; Jacobs and van der Ploeg, 2006). While the adoption of consensual policies (*e.g.* expansion of participation) is generally fairly easy and straightforward, Cohen-Vogel and Ingle (2007) note that "contentious reforms or changes in policies where values are more evenly split among citizens move slowly through the political process, and as they do, are almost exclusively influenced by public opinion." And indeed, Corrales (1999) also notes – on the basis of a comprehensive review of education reforms implemented in developing and developed countries in the 1980s and 1990s – that meaningful education reforms often fail to get approved or implemented, mostly for political reasons. For her part, Gornitzka (1999) goes as far as seeing policy change as the result of new bargains struck between policy making actors when resources are redistributed, and views policy formation as strategic goal-directed behaviour and problem solving under conditions of conflicting interests.

Cost-benefit analysis of policy reforms by stakeholders: winners and losers

A common source of resistance to reforms derives from losses – real or feared – that some stakeholder groups are to bear as a result of the reform, giving them strong incentives to resist the adoption or implementation of policies perceived as unfavourable for them. In this respect, the literature and experiences of countries with education reforms show evidence of such "rational opposition" among various groups of stakeholders. From a theoretical perspective, a number of redistributive models show how policy reform is supported by winners and opposed by losers (Alesina, 1988). Empirical observations for their part suggest that different types of losses may spur resistance to reform. Indeed, policies affecting the balance of power and prestige often yield equal tension as those translating in monetary costs for some groups.

With respect to academic communities and their unions, there is for instance evidence of unease or resistance to decentralisation and autonomy policies, as the latter are often accompanied by a redistribution of power within TEIs towards increased institutional leadership and a relative weakening of collegial bodies (see Chapter 3 and Johnstone *et al.*, 1998). Likewise, Fiske (1996) notes that in centralised systems, unions tend to resist any devolving of responsibility for staff management to TEIs as unions seek to maintain a united front in negotiating salaries and working conditions. Quality assurance and accountability reforms also commonly face some degree of hostility from academic

communities – especially during the early steps of the development of quality assurance systems when trust between parties has not yet been built. This is evidenced by the situation in Greece where Stamoulas (2006) attributes the defiance of the academic community to a reform introducing quality assurance to an anxiety to lose from the reform. As noted by the author, the weighty tradition of centralist management in Greek tertiary education made university professors suspicious of the real motives behind the reform, and fuelled fears that quality assurance be used to tighten up administrative control over public TEIs further. Overall, academics were afraid that the "penetration of such terms as competition and evaluation in higher education, including the introduction of new procedures of appointment and dismissal, plus performance-based pay, will erode job security."

Prestige considerations may also fuel preferences for *status quo*. In Japan for instance, Amano and Poole (2005) report how "university professors feel a great sense of crisis when (…) as a result of the expansion of new interdisciplinary areas, their own academic field is threatened or it becomes clear that their own area of specialisation is markedly below international standards." Academic communities may also resist institutional merger reforms for fear of the consequences of restructuring departments and possible risks of staff redundancies (Harman and Harman, 2003).

Prestige and power considerations are also important impediments to reforms seeking a rationalisation of tertiary education provision. For instance, Harman and Harman (2003) report how TEIs and their leaders are more likely to resist full institutional mergers than looser types of cooperative arrangements since they demand participating TEIs giving up much more autonomy. This fear to lose from the reform incurs resistance even though the authors note that such mergers work better in the longer run in developing academic coherence and new institutional loyalty.

Policy makers themselves may deter the effective implementation of tertiary education reforms. Corrales (1999) suggests for instance that bureaucrats may resist decentralisation policies which compel them to give up decision-making authority. In addition decentralisation policies, by granting more autonomy to TEIs for their daily management, imply changing responsibilities at the central level, from micromanagement to steering and performance analysis (see Chapter 3). The new set of skills required in ministries may increase anxiety levels among staff for their job security, and spur their resistance to the initiation of decentralisation reforms.

Finally, students' strong hostility to funding reforms seeking greater levels of cost-sharing in tertiary education provides another illustration of rational opposition to reform due to their potential costs on this interest group. There is extensive evidence across diverse countries that attempts to introduce tuition fees in tertiary education often generate massive street demonstrations or strikes by students to oppose the loss of subsidies or free services (Corrales, 1999; Rhoads and Mina, 2001). According to Johnstone *et al.* (1998), student mobilisation is all the more powerful as this group is articulate, energetic, politically volatile and can easily be enlisted in the cause of opposing governments' efforts to radically alter their institution.

Distribution of costs and benefits and political mobilisation

While interest groups likely to lose from policy reforms generally vividly oppose them, Corrales (1999) notes that by contrast the beneficiaries of reforms often fail to organise themselves sufficiently to help them go forward. He argues that this feature of

education reform implementation results from unfavourable political conditions, mainly due to the fact that they produce concentrated costs and distributed benefits. When the costs of a particular policy fall directly and intensely on specific interest groups while the benefits are diffuse, negatively affected interest groups have a much stronger incentive to block education reforms than beneficiaries have to support them, thereby leading to the rise of strong and well-organised veto groups while the beneficiaries of reform tend to be less organised and motivated.

Another reason for the low mobilisation of beneficiaries from education reforms – aside the diffusion of benefits across a large number of beneficiaries – derives from the temporal disconnection between immediate cost-bearing and opposition of hit interest groups while the benefits of education reforms are often only perceptible in the long term (Corrales, 1999).

In addition to the concentration of costs and benefits, the institutional features of tertiary education governance have also been advanced as possible obstacles to reform. This argument builds upon insider-outsider models and suggests – with respect to students for instance – that many TEIs have a governance structure that entrenches the rights of current students at the expense of future students and other parties, and this makes them difficult to reform (Duflo, 2005). At the system level, the involvement of student or academic representatives in policy consultations is also common. While highly commendable from a consensus-building perspective, such institutional features may complicate the development of tertiary education reforms affecting these stakeholder groups negatively, unless compensatory schemes are built into the policy proposals.

Satisfaction of median voters towards re-election: policy makers' agenda

Finally, a range of obstacles to reform in tertiary education result from the rational behaviour of politicians and policy makers themselves whose agenda and "utility functions" prominently feature the prospect of re-election. This strand of arguments is based on the assumption of a self-interested behaviour of politicians whose actions and decisions would be geared to the satisfaction of the majority of electors so as to maximise the odds of their re-election.

In this respect, the satisfaction of median voters[93] is of key importance in systems operating under majority-voting rule (Buchanan, 2003). And there is evidence indeed of tertiary education policies geared at middle-classes whose political swings may have a strong bearing on election outcomes. For instance, Cohen-Vogel and Ingle (2007) show how the adoption of loosely granted merit aid for tertiary studies in several states in the United States was driven by a desire of policy makers to relieve the middle class – even though merit aid is far from the panacea from an equity angle and would therefore not qualify as best choice from the societal perspective (see Chapter 6). Indeed, "opening up eligibility for programmes that substantially reduce the cost of college to almost everyone is sure to pay off in the ballot box."

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93.   The median voter theory was first formalised by Black (1948). Intuitively, the median voter can be defined as the person splitting the electorate in 2 groups of equal size in a two-candidate majority voting election. If voters cast their vote for the party or candidate closest to their most preferred feasible policy, it turns out that the candidate who is closest to the median voter always wins the election and is given the power to make public policies until the next election. As a result, the strategic behaviour of politicians is to develop strategies that satisfy the demands of the median voter (Congleton, 2003).

If one accepts the assumption of self-interested politicians concerned with their re-election as much as with the long term improvement of tertiary education contribution to society, then another series of obstacles to reform can be envisaged. Indeed, Corrales (1999) points to several conditions that impede the long term commitment of policy makers to education reforms.

First and foremost, the external pressures for reform are weak in tertiary education. Different from unsound macroeconomic policies which may quickly trigger capital outflow and force governments to greater discipline, tertiary education does not face similar sanctions for failing to deliver services of the highest quality. The advent of the knowledge economy and acceleration of the pace of technological progress are now increasing the costs of inaction, but the imperfect international competition in tertiary education still hinder the long-term commitment of policy makers to tertiary education improvement.

This problem is exacerbated by the lack of congruence between the timings of reforms and the more immediate electoral processes. As pointed by Corrales (1999), the benefits of education reform are only perceptible in the long term while the costs are borne immediately. Such reforms are therefore unlikely to bring about immediate and tangible political gains to governments and this feature tends to undermine their commitment to implementation, especially if facing strong opposition by interest groups.

And indeed, another obstacle results from the high turnover rate of Ministers in charge of tertiary education, which gives them incentives to avoid conflict and impairs their commitment to policy reform (Corrales, 1999). And in fact, experience suggests that political stability can assist the successful implementation of reforms. It has been argued that the success of reforms in Chile resides in the continued existence of the coalition government, the building of consensuses in respect of the reform proposals, and the continuity of the high-level staff at the Ministry of Education (Arellano, 2001). Likewise, the wide-ranging reforms implemented in Australia over the past decade have undoubtedly benefited from the stability of the government coalition.

11.4.2 Information imperfection and asymetries

Information failures are another explanation for the difficulty in implementing tertiary education reforms. In this respect, three main types of information failures may impede policy adoption and implementation.

Firstly, it has been argued that potential beneficiaries of tertiary education reforms are often insufficiently aware of benefits and as a result do not exert sufficient pressure on policy makers and stakeholders to implement reforms. With respect to cost-sharing of tertiary education for instance, Gollier (2005) notes that pressure to reform must come from the citizens, but suggests that this is possibly missing in Europe due to two types of information shortages. Not only do citizens and students undervalue the returns to education – and the private benefits to be derived – but they are also unaware that the education they receive could be of higher quality with additional funding.

A second range of information shortages relate to the imperfect information of stakeholders on the nature of proposed policy changes and their impact, leading them to question those changes and resist them. In Croatia for instance, there is evidence that the implementation of new rules for the improved operation of universities faces barriers and resistance from the academic community, mostly due to the lack of information and the fear of change. Likewise, the awareness of the Bologna Process is reportedly limited

among students and teaching staff in Norway, and these information shortcomings prevent a more pro-active role of TEIs and of the academic community, including students, in building the *European Higher Education Area*.

Finally, a number of political economy models build upon information imperfections and asymmetries to explain resistance to reforms (Fernandez and Rodrik, 1991). In this game theory logic, it is argued that uncertainty of agents and stakeholders over the outcomes of a specific reform for their own situation – *i.e.* whether they will win or lose – may lead them to oppose the policy change and favour *status quo* even though at societal level, cooperation and reform would be a preferred solution. And indeed, reluctance to change is quite common, especially when policy departs significantly from the existing behaviour (Gornitzka, 1999).

11.4.3 Psychological factors: insufficient ownership and social acceptance

Finally, a range of authors stress the importance of resistances to reform of a more psychological nature, deriving from the lack of ownership of reforms by agents excluded from the policy development process, or the insufficient social acceptance of some policies by internal stakeholders or the public at large.

Insufficient ownership and social acceptance

While the above analysis has underlined the importance of including stakeholders in the policy development process to build consensus and secure successful policy adoption and implementation, conversely, Perotti (2007) notes that actors are often hostile to innovations which they themselves have not promoted.

Another problem frequently encountered by policy makers stems from the insufficient preparedness of the public opinion for some reforms, and the resulting lack of social acceptance for policy innovations. Tertiary education authorities often have a difficult task convincing public opinion, parliaments and all the sectors involved over the necessity of reforms.

In Poland for instance, Wojcicka (2004) reports that the *licenciate* degree (equivalent to a bachelor's degree) which was recently introduced as part of the Bologna reforms is still struggling to attain social legitimacy given the high value of university education and master's degrees within the public. As a result, over 80% of students enrolled in *licenciate* programmes declare their willingness to continue their education, thereby impairing the impact of the degree structure diversification reform. A number of other European systems face similar difficulties during the transition period to the new degree structures as employers and the public are not yet familiar with the shorter qualifications and their social acceptance needs to build up over time. In Finland for instance, while the Bologna degree structure and the European Credit Transfer System (ECTS) have been implemented thoughtfully and swiftly since the 2005 reform, few university students take advantage of this new flexibility as employers are reportedly un-keen to hire students with only a bachelor's degree – including the Finnish government which has been unwilling to accept the bachelor's degree as an entry-level qualification for public sector workers.

Funding – and in particular the diversification of sources through tuition fees – constitutes another area of tertiary education policy where social acceptance is often the key obstacle to reform. While the detailed analysis provided in Chapter 4 highlighted the

merits of introducing tuition fees in some circumstances and provided these are accompanied by adequate student support schemes to avoid adverse effects on equity, public opinions in a number of countries – and especially in Europe – remain opposed to student contributions to the cost of their studies as tertiary education is seen and perceived as a service to be provided free of charge by the State.

Reportedly, a number of systems also face difficulties with the implementation of quality assurance reforms due to underdeveloped cultures of self- or external evaluations and the fears they yield among academic communities (Stamoulas, 2006).

Highlighting benefits of reforms to convince stakeholders

In light of these difficulties, a number of authors emphasise the importance of convincing stakeholders of the benefits of certain reforms that lack social acceptance. Jacobs and van der Ploeg (2006) argue that structural reforms in particular generally require much more transparency.

With respect to public opinions, Wojcicka (2004) stresses the importance of information and media campaigns to build the social legitimacy of policies.

Convincing internal stakeholders of the benefits of certain reforms is also a challenge in some instances, especially when it comes to accountability requirements. However, there is evidence in Australia that TEIs derive benefits from quality assessments, and find their academic departments' analyses useful for their own performance measurement and planning thanks to the presentation of time series and comparisons to peer TEIs and the sector as a whole.

11.4.4 Overcoming obstacles to maximise impact

Yet, empirical experience provides reasons for optimism. Indeed, Corrales (1999) observes that a number of countries have managed to successfully implement reforms in their tertiary education sector despite the numerous political, informational and psychological obstacles mentioned above. Moreover, experience provides another reason for cheerfulness as unpopular tertiary education policies tend to be irreversible once adopted regardless of the political difficulties encountered initially and even in the event of a change in political coalitions. Johnstone *et al.* (1998) report for instance that the introduction of means-tested tuition fees in the United Kingdom in the late 1990s was initially proposed by a Tory commission but implemented by a Labour government – which had historically been opposed to any form of tuition. Similarly, the system of school vouchers introduced in Chile in the early 1980s under the dictatorship remains in effect nowadays, despite a radical change in political coalitions (Arrelano, 2001).

How then do policy makers manage to overcome resistances to reform and surmount political obstacles? The costs of inaction are high, and as a result there is a strong rationale for cooperation between policy makers and opponents to reform to reach acceptable compromises. In this respect, the experiences of countries participating in the Review suggest several avenues to enhance the outcomes of policy adoption and implementation, essentially through bargaining processes with opponents to tertiary education reforms and the adoption of a number of side policies to support policy implementation.

Rationale for compromise: cost of reform vs. cost of inaction

The main rationale for governments and stakeholders to seek compromise over tertiary education reforms despite their different views and antagonisms results from the high costs of inaction. At a time when global competition is more significant than ever and the pace of change has accelerated, failure to adjust tertiary education systems to the new demands placed on them bears high potential costs in terms of missed opportunities. Friedman (2005) argues, the acceleration of technological progress has flattened the world, and in this context, countries that are unable to keep their tertiary education system in pace with global changes will be trampled. At national level, the new context of increased internationalisation and competition in the tertiary education sector has also heightened awareness among all stakeholder groups of the challenges at stake, thereby increasing their willingness to make concessions in search for an acceptable compromise.

Indeed, the costs of inaction are varied and high. Failure to address funding issues in tertiary education may result in inadequate levels of funding to meet international quality standards and thus hamper the long-term competitiveness of the economy, while at the same time being detrimental to the motivation of academic staff. Inadequate student support schemes may also deter participation of students from lower socio-economic backgrounds, and failure to tackle the equity challenge and to provide opportunities for upward social mobility to members of disadvantaged communities may incur significant social costs in terms of unemployment and possibly social unrest. Quality assurance reforms are equally important to ensure that the value of domestic graduates and research keeps up with international standards in a context where knowledge has become critical to a nation's competitive edge. Finally, the growing need for flexibility and responsiveness to societal needs in contemporary tertiary education desperately cries for reforms of system and institutional governance to maximise the impact of tertiary education for the economy and society.

In this context, all stakeholders have incentives to cooperate towards acceptable compromises. As noted by Lindell (2004), the stakeholders' agendas are not always optimised for their members only, but also for the interest of the nation. Likewise, Cohen-Vogel and Ingle (2007) note that the adoption of a policy involves give and take, and that bargaining, compromise and persuasion between policy makers and stakeholders characterise this process, so as to reach a solution that is acceptable by all, even if preferred by none. And indeed, the policy reforms adopted are usually the result of a series of bargains and concessions by different parties, and constitute an acceptable compromise. In this respect, Harman and Harman (2003) note that the outcomes of these negotiations critically depend on whether they succeed in securing some wins for all parties involved so that negotiators will be willing to search for compromises likely to be acceptable to all parties.

At the same time, tertiary education reforms incur costs too. These include the costs of the reform itself as well as the costs involved in "selling" the reform to stakeholders to secure their support. For instance, direct costs of reforms include the costs of setting up income-contingent loan schemes on a large scale in the initial years as loans disbursement are not immediately balanced by repayments of loans, or in the case of institutional mergers, the costs of planning, restructuring departments, integrating library and information systems, enhancing infrastructure, levelling staff salary scales and staff redundancy packages where job cuts are involved (Harman and Harman, 2003). With respect to the "political" costs of reforms, they derive from the bargaining processes that

usually take place between governments and stakeholders as part of the search for an acceptable compromise.

Bargaining processes in tertiary education reform

Indeed, the above analysis has shown that a key component of political defiance of reforms lies in the costs borne by different interest groups. It naturally follows that the compensation of these costs significantly improves the chances of reaching an acceptable compromise and securing the support of stakeholders for reforms which are not necessarily in their best interest. Compensatory measures are therefore important to secure the support of potential losers of reforms, and generally involve bargaining processes between policy makers and stakeholders. In Greece for instance, Stamoulas (2006) indicates that the academic community made the introduction of quality assurance mechanisms and evaluation conditional on the State providing further investment in universities.

And in fact, the experiences of countries participating in the Review illustrate how some contentious reforms have been successfully adopted and implemented thanks to compensation mechanisms to secure the support of negatively-affected interest groups.

With respect to academia and teacher unions for instance, Australia introduced a *Workplace Reform Programme* in 1999 – which aimed at strengthening bargaining processes at the institutional level for workplace conditions. The agreement of teacher unions was negotiated through a 2% salary increase for university staff if certain criteria were met within the TEI workplace practices. These criteria included aspects such as performance management, cost savings, discretionary revenue generation, productivity measures, flexible working arrangements and management/administration issues.

Similarly, tuition fees have been introduced in Australia in conjunction with an extensive loan scheme in order not to deter access and participation of less affluent students. Although strongly opposed initially, the HECS has since achieved a significant level of acceptance. Likewise, the success of Chile in implementing education reforms resides in the fact that "when families have been required to help pay for the education of their children, systems of scholarships and (in the case of higher education) loans have been established in order to prevent this requirement from becoming a factor of exclusion" (Arellano, 2001).

Side policies to support implementation

But addressing and overcoming political obstacles to policy adoption are only one aspect of the ultimate success of implementation. Ensuring compliance of various stakeholders in the longer term and supporting them toward effective change are equally important. In this respect, Kogan *et al.* (2000) point out that policy makers rarely take into account the need to support policy implementation, thinking that once the hard job of policy making is done, they can send out the finished documents and wait for results. Yet, a number of side policies may be used to enhance compliance and the effective implementation of tertiary education policies on the ground. In this respect, Gornitzka (1999) distinguishes the neo-institutional perspective – which typically focuses on the presence of legal coercion and legal sanctioning or alternatively on the voluntary diffusion of "institutionalised" norms to secure compliance – from the resource dependence perspective – where TEIs' adaptation to external demands is seen as a strategic response that is dependent upon the sanctioning or reward capacity of environmental actors in control of scarce resources.

Trowler (2002) suggests that the resource-dependance perspective has gained ground in recent years. Indeed, he argues that incentives tools – *i.e.* the giving or withholding of resources to ensure compliance with policy intentions by those on the ground – have become much more significant in a climate of resource constraint and progressive withdrawal of the State from underwriting the cost of tertiary education worldwide. In the same fashion, Jacobs and van der Ploeg (2005) propose to take advantage of the new context of increased internationalisation and competition in the tertiary education sector to steer reforms, and advocate the portability of financial support to foster competition between TEIs at home or abroad and hence encourage TEIs to reform and become more attractive to students.

Another finding that is fairly consistent in the study of implementation is the importance of making sure that there is some kind of organisational arrangements buffering policy implementation against short term fluctuations in attention, such as political or organisational leadership giving top priority to the implementation of new policies and bypassing ordinary routines (Gornitzka, 1999). The importance of having "fixers"[94] – *i.e.* key persons who are able to hold an implementation process together and exercise governance – is also underlined by Cerych and Sabatier (1986).

In addition to policy fixers, a number of authors emphasise the key role of financial tools to ensure compliance and steer TEIs' behaviour. The rationale for financial incentives or performance budgeting relies on the assumption that institutional management (principally rectors, presidents, and deans) are rational actors, and that they maximise whatever is rewarded (Johnstone *et al.*, 1998). In this logic, financial penalties for non compliance and financial incentives can considerably facilitate implementation.

With respect to the use of financial coercion to ensure compliance, Harman and Harman (2003) describe how a wave of extensive institutional mergers was successfully imposed by the Australian government in the late 1980s despite angry institutional criticisms over the direction of reforms. The reform established minimum size criteria for TEIs to be eligible to public funding, as a result of which most TEIs quickly complied and started searching for merger partners. Likewise, the Australian *Higher Education Support Act* of 2003 allows for financial penalties if the targets for student enrolments at the national, state, institutional, campus and discipline cluster levels have not been met.

But the most common use of financial tools to support policy implementation is in the form of incentives. This steering mechanism has been successfully used in Australia for nearly two decades already. In the late 1980s, Harman and Harman (2003) attribute the success of the merger restructuring process to the provision of additional funds to assist with merger expenses. Prior to 2008, the implementation of the *National Governance Protocols* in Australian TEIs had been pushed by making incremental funding increases in the *Commonwealth Grant Scheme* conditional on universities providing evidence of compliance with the protocols. The implementation by TEIs of the *Higher Education Workplace Relations Requirements* (HEWRRs) from 2005 had been promoted in the same way, through incremental funding of 5 to 7.5% for complying TEIs.[95]

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94. A fixer is an actor from outside the implementing organisation who is committed to policy objectives, who has the capacity to monitor implementation and the political resources to intervene.

95. However reforms are currently underway in this respect. Subject to changes to legislation, compliance will no longer be a condition for funding from 2008.

Finally, Fiske (1996) underlines the importance of training policies for effective and successful implementation, as a means to ensure that all stakeholders are equipped and prepared to take on the new roles and responsibilities that are required from them as a result of tertiary education reforms. This aspect is particularly important with respect to reforms of institutional governance given the longstanding tradition of collegial governance in many tertiary education systems and the current drive towards greater institutional leadership (see Chapter 3).

11.5 Implications for policy implementation

The national experiences with tertiary education reform described in this Chapter and the insight from the literature on policy implementation and the political economy of reform point to a number of conditions and features of policy making that are likely to assist governments build consensus over tertiary education reforms and overcome the most common obstacles, so as to reform their tertiary education systems in ways that allow them to meet national goals. The policy suggestions that follow are drawn from the experiences reported in the Country Background Reports, the analyses of external review teams, and the wider research literature. Not all of the policy implications apply equally to the reviewed countries. The implications also need to be treated cautiously because in some instances there is not a strong enough evidence basis across a sufficient number of countries to draw inference with full confidence. Rather, the discussion attempts to distil potentially useful ideas and lessons from the experiences of countries that have been searching for better ways to reform their tertiary education systems and maximise the impact of their tertiary education strategies. Implications are grouped under several headings relating to the development of tertiary education policy and reforms, the imperative need for compromise and consensus over policy, and options to enhance compliance and support effective implementation of policies.

Development of tertiary education policy and reform

Establish ad-hoc independent committees to initiate tertiary education reforms and involve stakeholders

Whenever a reform of the tertiary education system is sought, it is important that policy proposals do not reflect the views of a single interest group. The policy development process is more likely to yield consensus and compromise among parties if policies are developed through cooperation of different stakeholders towards a common goal. Indeed, regular interactions contribute, over time, to building trust among different stakeholders and raising awareness for the major concerns of others, thereby enhancing the inclination of the different parties for compromise.

One effective way of reconciling the diverging interests of various stakeholder groups and forcing them to work together towards the development of acceptable compromises may be to establish *ad-hoc* independent committees including the various stakeholder groups, and to give these committees the mandate of diagnosing problems faced by tertiary education in the national context and to propose reforms.

Stakeholders' commitment to these committees critically depends on the credibility of the consultation process. The effective engagement of all interest groups in the policy development process and their active contribution to consensus-building can be enhanced

by strong signals from government authorities on the value they give to the work of the committee.

The legitimacy of these committees can be further strengthened by involving international experts, whose role could be defined as providing an international perspective on problems faced by tertiary education and share ideas with the committees on how these problems have been addressed in different national settings for consideration in the national context.

Allow for bottom-up policy initiatives to be developed into proposals by independent committees

The potential of bottom-up policy initiatives to achieve a substantial degree of stakeholder involvement in policy design and to develop a sense of ownership for proposals emerging from this process needs to be recognised. Bottom-up initiatives may exert a strong impetus towards consensus-building for tertiary education reforms. Therefore, the working operations of independent committees responsible for policy proposals would benefit from allowing bottom-up input, *e.g.* through wide national consultations or Internet-based public discussion groups.

Recognise the different views of stakeholders through iterative policy development

The diversity of views and perspectives over tertiary education prevailing among different groups of stakeholders is an asset for the policy making process and needs to be recognised as such. Indeed, the confrontation of these various views during policy design allows the identification of the full range of side effects and drawbacks of policy proposals well ahead of their implementation. Therefore, tertiary education policy has much more to gain from the cross-fertilisation of these distinct perspectives into consensual compromises than from their antagonism and the imposition of one's views over other stakeholder groups.

The development of consensus is a continuous process of actions, discussion, and corrective actions based on feedback from various stakeholders. Policy design is best achieved through iterative development processes allowing the major and legitimate concerns of the various stakeholders to be taken into consideration. Experience suggests that iterative approaches to policy development yield better results and stand greater chances of building consensus.

Search for consensus or compromise over tertiary education policy and reform

Use pilots and policy experimentation when needed

Policy experimentation and the use of pilots may prove effective strategies to overcome blockages and foster consensus whenever stakeholders' interactions in the policy development process reach an impasse. Indeed, the limited scale and duration of pilot policy implementation allow the testing of new approaches without unduly raising levels of anxiety among their opponents. There are also political advantages to policy experimentation, as the possibility of assessing the effectiveness of policy innovations before generalising them makes it more difficult for opponents to contest policy experimentations. Pilot experimentations may thus prove useful in alleviating less legitimate resistances to tertiary education reform.

Favour incremental reforms over comprehensive overhauls unless there is wide public support for change

A related issue relates to the content of policy reforms, which are less likely to spur strong opposition if they consist in gradual adjustments than complete overhauls of existing practices. Indeed, research suggests that uncertainty about the consequence of a policy for one's situation – *i.e.* whether it will improve or worsen – increases the preference of individuals and stakeholder groups for *status quo*. In this respect, gradual reforms are less likely to blur stakeholders' vision of the future than "big bang" reforms, and are thus more likely to secure their support and consensus.

At the same time, experience shows that more comprehensive reforms are possible when there is a widespread recognition of the need for a change to take place – *e.g.* in case of external pressure, competitive threat or common enemy – thereby suggesting that overhaul reforms are to be avoided unless wide public support for change can be obtained.

Avoid reforms with concentrated costs and diffused benefits

Experience also suggests that reforms whose costs are concentrated over a limited numbers of stakeholders while gains are too widespread to generate strong support by beneficiaries incur a high risk of veto and failure as they prompt massive mobilisation of cost-bearers without succeeding in rallying beneficiaries from the reform. One way to address this problem is to combine "costly" reforms with other measures designed to provide some form of compensation to negatively-affected stakeholders and hence secure their support.

Identify potential losers from tertiary education reform and build in compensatory mechanisms

An important aspect of policy development and implementation relates to the identification of the stakeholders affected by a specific policy proposal and of what each one is likely to gain or lose from the reform. Indeed, individuals and groups whose situation is likely to worsen as a result of a policy change have strong incentives to resist its adoption, and one way to foster consensus and reach a compromise is to build in compensatory mechanisms in the reform packages to garner the support of key actors.

For instance, supplementing contentious measures with elements increasing the resources available to key stakeholders are politically much easier to adopt, by addressing the issue of concentrated costs. Compensatory mechanisms include for instance salary increases or more flexible salary scales for academics, increased budgets for TEIs, or support schemes and tax incentives for students.

Create conditions for the successful implementation of reforms

In order to build consensus, it is important that all stakeholders see proposed tertiary education policies within the broader policy framework and strategy. Indeed, individuals and groups are more likely to accept changes that are not necessarily in their own best interests if they understand the reasons for these changes and can see the role they should play within the broad national strategy. There is therefore much scope for government authorities to foster the chances of successful policy implementation, by improving

communication on the long-term vision of what is to be accomplished for tertiary education as the rationale for proposed reform packages.

There is also evidence that reforms which are sustained by external pressures (*e.g.* limitations of public funding, international competition, or the existence of a threat such as unemployment) stand better chances of successful implementation. This is because the recognition of a common problem has potential to lead stakeholders to respond with a united front. Some of these external pressures are largely exogenous in which case government authorities may want to raise awareness among the public and stakeholders to spur the acknowledgement of problems, while others are more endogenous, giving governments more leeway to create supportive conditions for policy implementation.

Improve communication on the benefits of reforms and the costs of inaction

Finally, there is also a case for improving and strengthening communication on tertiary education problems as well as reform proposals to address them. This includes dissemination of the evidence basis underlying the policy diagnosis, research findings on alternative policy options and their likely impact, as well as information on the costs of reform *vs.* inaction.

Such communication and dissemination is critical to gain the support of society at large for tertiary education reforms, not just the stakeholders with a direct interest – *i.e.* TEIs, students or academics. Such dissemination may be enhanced through national public discussions as well as media communication strategies. Indeed, evidence suggests that individuals and groups are more likely to accept changes that are not necessarily in their own best interests if they have a chance to participate in the debate and believe that the process has been transparent.

Implementing tertiary education policy and reform successfully

Implement the full package of policy proposals

Tertiary education reform packages often comprise a set of different policy measures, each of which has a specific role and aim in the overall strategy. In particular, it is common to propose complementary measures to address tradeoffs and counterbalance the side effects that some measures would have if taken individually. Therefore the partial implementation of tertiary reform packages incurs significant risks of the overall reform losing coherence or yielding unintended and damaging consequences. Policy makers should therefore resist the temptation to postpone the most contentious measures of the policy package, despite the convenience of partial implementation from the perspective of political feasibility.

Support effective policy implementation

There is also a danger in implementing tertiary education policies without adequate support to ensure effective compliance of the various stakeholders in the long term. Indeed, TEI leaders, frontline academics and students' cooperation is critical to ensure that policies translate into effective change. In this respect, a number of side policies have potential to enhance compliance with tertiary education reforms and improve the effectiveness of tertiary education practices. These include coercive measures such as the

giving or withholding of resources pending on policy implementation, incentive structures to encourage internal actors to adopt new policies, intermediary bodies to bypass ordinary routines and implement new policies, as well as training policies to ensure that all actors are prepared and equipped to take on their new roles and responsibilities.

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