

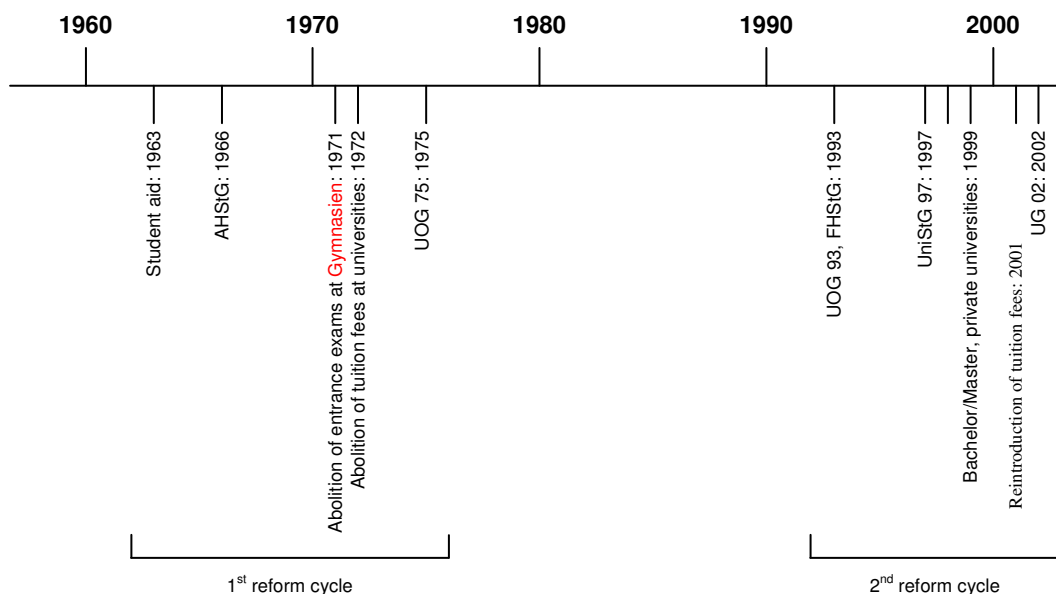
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Backlash or Modernisation? Two Reform Cycles in Austrian Higher Education

Over the last four decades Austria has experienced a series of higher education reforms. From an analytical point of view one can distinguish two reform cycles that strongly differed with respect to their underlying policy paradigms. During both periods a variety of measures was implemented according to a coherent background philosophy (see figure 1). In between the two reform cycles was about one decade of consolidation.

- The 1st reform cycle had its peak in the mid-1970s and can be characterised as an inclusion of higher education under the umbrella of welfare state policies. The policy catchwords were ‘opening’ and ‘democratisation’ of higher education (emphasising student participation, integrating junior faculty into decision making, and broadening the fields of research).
- The 2nd cycle follows the international policy trends of the 1990s and has recently resulted (2002) in a reform that acknowledges the full legal entity status of universities (universities are no longer state agencies, but ‘public enterprises’). The buzz words of this cycle are ‘deregulation’ and ‘efficiency’.

Figure 1. Major reform actions in Austrian higher education, 1960–2002



The first section of this chapter characterises these two reform cycles in general terms. The second section highlights peculiar aspects, such as the student experience, structures of governance, and the working conditions of academics. The final remarks examine both the vast differences and the common aspects of the two reform cycles.

1. From State Intervention to Deregulation

Governments in the 1960s and 1970s had many good reasons to take action in higher education policy. In the mid 20th century, Austrian universities were in bad shape. They were elite institutions only in the sense of being very small and having student participation rates below 5%. However, one cannot apply the positive connotations of high quality which usually

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travel with the word elite. The glorious period of the late 19th and early 20th centuries, when some Austrian universities were eminent research institutions with worldwide reputations, was long gone. The political catastrophes of the 1930s and 1940s resulted in two waves of expulsion, for political and racial reasons, by which universities were deprived of many of their most able researchers (Stadler 1988). After the war, universities lacked the ability to renew themselves on their own. Only the most active Nazis were expelled, émigrés were rarely welcomed back. During the immediate post-war years, universities were more a place of intellectual narrowness than a source of innovation.

During the 1960s, new expectations of economic benefits which were roused by the promise of human capital theory moved education to the centre of policy making. Since it was now regarded as an important goal to raise the qualifications of the workforce, an outdated higher education system was no longer acceptable. The government set the course for educational expansion and modified the traditional chair system (*Ordinarienuniversität*). The overarching goal of the 1st reform cycle was to 'open up' the rigid structures of the elite system. Three dimensions to which this metaphor of 'opening' was applied (see Pechar 1996) can be distinguished:

- Most important was the goal to increase student participation. The (visible and hidden) gates which excluded large numbers of talented students should be opened. It was assumed that mainly financial barriers were responsible for the low participation rate.
- Another aspect was widening the spectrum of recognised disciplines and methodological approaches. For example, it was only in the late 1960s, that some social sciences such as sociology and political science were established at universities.
- Finally, the structures and procedures of self-governance at universities were made more democratic. Junior faculty and students were partially included in the procedures of academic self-governance.

Most key university actors did not welcome the new opportunities initiated by governments' reform policies. They felt that the prospect of growth would threaten the privileges of their sheltered institutions and responded negatively to the political request to open their gates. This situation differed from that in other countries, which in later years became a point of reference for Austrian higher education. North American universities had a long tradition of being responsive to external demands, simply because at no time did they have a benevolent patron who gave generous support to elite institutions – a commitment of the ruling elites vis-à-vis the cultural elites. Most American universities, particularly in the west, had to justify their existence and seek popular support. Hence they had little problem in accommodating the rising student demand when it eventually occurred. In contrast, Austrian universities were in the privileged position of having a benevolent state taking care of elite institutions. Hence they had little appetite for more students; instinctively they felt that expansion of student numbers would eventually abolish the privileges of elite institutions.

Unlike their counterparts in the UK they had no effective means to resist that demand. British universities were in a unique position. They could make autonomous decisions about student admission and yet they were not – until the 1980s – economically dependent on the number of students. Hence they could preserve their elite status for an unusually long period, until the government changed the architecture of the British system. Austrian academics were not in that position. Access was regulated by federal law; all graduates from the elite track of secondary education (*Gymnasium*) were entitled to enrol at any Austrian university. Reforms of secondary education which successfully widened access to the *Gymnasium* had inevitable consequences on first-year enrolments at universities. Austrian universities had no legal means to keep

students out of the ivory tower. A totally different question was, of course: How would they welcome the undesirable students? How would academics treat students who increasingly came from family backgrounds without higher education? This became an issue in later decades when the controversy about mass higher education intensified.

Even stronger was the resistance of the academic oligarchy to all attempts aimed at introducing participatory decision-making structures within the university. The University Organisation Act 1975 (UOG 1975) which granted students and junior academics limited voting power in collegial bodies met stiff opposition from chairholders. When the law was passed a group of professors immediately – but without success – appealed against it in the high courts.

The 1980s can be characterised as an intermediate period without a strong distinctive profile in its own right. It was partly a time of consolidation after a period of severe change; but it was also a time of disappointment with respect to the high expectations triggered by the reforms. This reflected the mainstream development of most OECD countries. A naïve interpretation of human capital theory was suddenly confronted with the first signs of graduate unemployment. Higher education ceased to be a top priority of policy makers. As elsewhere, fiscal consolidation became the main concern of governments.

During the 1970s, the growth rate of expenditure for higher education matched that of student numbers. Higher education was then a high priority of the newly elected social democratic government which was strongly committed to the reform and expansion of universities. Starting in the late 1970s, the growth rate of higher education expenditure declined. The decline in per capita expenditure resulted in growing tension between the government and universities. In the second half of the 1980s, students and academics started a series of actions to direct public attention to the financial stringencies experienced by universities.

As a result of these policy shifts, the alliance between reform-oriented academics and policy makers gradually split. The change in the relations and interactions between government and universities during the 1st reform cycle became quite apparent. Much of what was formerly worked through in terms of implicit agreements was now based on formal rules and legal acts. Academics started to complain about excessive regulation and bureaucratic overload. The fact that universities were state agencies was now perceived as a burden. The key actors at universities drew a very dark picture. The dominant view was that universities were bound by a rigid state bureaucracy and hence could not develop their creativity. The academic mood at that time is portrayed in Rüegg (1987). A survey of expert opinion among 17 European states during the late 1980s came to the conclusion that Austrian experts in higher education had lost nearly all confidence in their system (see McDaniel 1992). The answer was for academics to liberate universities from state regulation. 'Autonomy' was the catchword in the policy debates at that time.

The 2nd reform cycle was triggered when some politicians and senior civil servants shared critical views concerning excessive state regulation of higher education. Policy makers increasingly felt overstretched by the complexity of a mass higher education system. It became obvious that they did not have the necessary means (sufficient information and influence to motivate actors at lower levels) to implement the 'best solutions'. Hence, the visions about the 'one best system' which requires central steering to be realised faded away. At the end of the 1980s, the government abandoned its former approach of stringent state regulation of all kinds of education institutions, universities included. The move towards deregulation was also facilitated by fiscal consolidation. Senior civil servants had no interest in being involved in the ugly details of executing cuts and became quite sympathetic to the arguments for increasing the autonomy of higher education institutions.

The change in the underlying paradigms of higher education policy gave rise to a new wave of reforms. Within only a few years the architecture of Austrian higher education was fundamentally changed. In the early 1990s, a non-university sector was established in order to provide a new educational profile (short-term studies, clear vocational orientation). With respect to management issues, *Fachhochschulen* were an unexpected break with the tradition of state agencies (see Pratt and Hackl 1999). In 1993, at the time of their establishment they were in many respects regarded as a model for universities.

Universities, however, offered stiff opposition. In 1991, the Ministry published a draft of an organisational reform which would liberate universities from most forms of governmental control and transform them into public enterprises (BMWF 1991). Policy makers claimed to be responding to the academic request for more autonomy by shifting decision-making power from the state to the universities (Pechar and Pellert 1998). However, the Ministry drew quite different conclusions from an assessment of the status quo which looked, at first glance, very similar to that of the academic critics.

Autonomy of universities can be interpreted in totally different ways by different actors. During the reform debate, three concepts of autonomy clashed:

- In the Humboldtian tradition, autonomy is mainly used as a synonym for academic freedom of the individual academic, that is to say, mainly the full professor. Many professors saw this kind of autonomy endangered, on the one hand, by state intervention and, on the other, by academic co-determination of students and *Mittelbau* (junior faculty). From their perspective, autonomy became a buzz word for a kind of restoration of the 'old regime' of academic oligarchy, of the *Ordinarienuniversität*.
- Junior faculty and students mainly favoured the concept of the autonomous collegial university. In their view, the focus of autonomy was not the individual academic but the collegial bodies in which they had some representation (after the democratic reforms of the 1970s). Those collegial bodies should govern the university without any interference from the state. Sufficient and unconditional funding by the government was simply taken for granted.
- Politicians and state bureaucrats advocated the concept of institutional autonomy; they wanted to turn universities into enterprises which were responsible not only for academic, but also for financial and administrative, affairs. This kind of autonomy had to go hand-in-hand with the development of professional management and a strengthening of external scrutiny by supervisory boards (Höllinger 1992).

It is easy to see that neither the concept of individual autonomy nor the concept of the autonomous collegial university is compatible with the ministerial reform approach. During the 1990s tension between governments and academics intensified. The areas of conflict were continual fiscal cuts combined with reinforced moves towards managerialism. There were misconception and paradoxical behaviour on both sides. Governments pushed universities to accept institutional autonomy but at the same time looked for loopholes to keep their old power. Academics fought against dull bureaucrats but at the same time desperately wanted to stick with the idea of the university as a state agency. In 2000, a new conservative government firmly changed the style of policy making. Former social democratic governments, even in the face of growing hostility, held on to the notion of consensus politics of the post-war years. The new government proudly announced a 'speed kills' approach. This enabled the government to enforce far-reaching changes in legislation within a few years. It remains to be seen to what extent this legislation will be successfully implemented.

2. Forty Years of Reform: What are the Results?

2.1. The Student Experience: Expansion, Diversification and Commodification

The 1st reform cycle was triggered by a remarkable policy shift: for the first time, education was not only regarded as a matter of culture but also as an economic benefit, as an important factor of economic growth and competitiveness. At that time, most political actors were convinced that the actual participation of students in the more advanced types of education did not keep pace with the demand from the labour market for graduates. For that reason, educational opportunities had to be expanded and access improved. In former times, policy makers took it for granted that the low participation rates in the elite tracks of secondary schools and in universities demonstrated lack of talent. In the 1960s these beliefs changed. It became obvious that the pool of talent by far exceeded the actual number of students who were enrolled in institutions of higher learning. It became a common phrase that a large 'potential of aptitudes' existed and the main policy goal of that time was to make use of that hidden resource.

During the 1960s, policy makers took two measures in order to raise student participation. On the one hand, they widened access to the *Gymnasium* and other types¹ of the elite track in secondary education, which were (and still are) the main route to higher education. Entrance exams to the *Gymnasium* – which were an effective gatekeeper for elite education enforced at the age of 10 – were relaxed during the 1960s and finally abolished in 1971. This was an important signal to those parents who previously would be deterred by selective procedures. Within only a few years, graduates from the secondary elite track (*Maturanten*) increased from 8% of the age cohort in 1960 to 17% in 1971; in 2000, 40% of the age group graduated from the secondary elite track.

The second policy to raise participation rates was to tackle potential financial barriers to the participation of low and middle income families.

- In the early 1960s, the system of student support was fundamentally changed. Formerly, grants for needy students were awarded at the discretion of university authorities. In 1963 a new Act was passed (*Studienförderungsgesetz 1963*) which for the first time gave a legal entitlement for grants to needy students who fulfilled certain minimal criteria of academic achievement. By establishing this new type of social grant (*Sozialstipendium*) policy makers did not aim to make students independent from their parents. Rather they instituted remedial measures for those low income families who could not afford to support the participation of their children in higher education.
- In 1972 tuition fees were abolished. In the 1950s, fees were indeed a significant financial barrier to low income families;² but by 1970 they were quite low since they were never adjusted for inflation. In any case, the abolition of fees was a signal that the government regarded higher education entirely as a public good.

During the 1970s, student numbers increased dramatically (see table 1). This extraordinary growth was caused by a combination of rising participation rates on the one hand, and the growing age cohorts of the baby boomers on the other. During the early 1970s, the growth was welcomed as the accomplishment of a successful policy. At the end of the 1st reform cycle, student expansion was looked at in a new perspective. Graduates were no longer considered to be in short supply; instead rumours about 'overeducation' were heard. This critical judgment about expansion was partly caused by the first indications of graduate unemployment and a re-

¹ Such as BHS, the professional schools at the upper secondary level.

² In the early 1950s, tuition fees amounted roughly to half an average monthly income.

assessment of the economic benefits of education. It also reflected a shift in policy orientation. The governmental commitment to expansion of higher education weakened.

Table 1. Total enrolments at Austrian universities, 1970–2002

Year	Women		Men		Total	
	No.	% Increase	No.	% Increase	No.	% Increase
1970	12.459		38.817		51.276	
1975	25.774	106.9	51.271	32.1	77.045	50.3
1980	43.586	69.1	66.930	30.5	110.516	43.4
1985	66.532	52.6	88.019	31.5	154.551	39.8
1990	81.999	23.2	104.608	18.8	186.607	20.7
1995	99.406	21.2	114.119	9.1	213.525	14.4
2000	113.224	13.9	108.281	-5.1	221.505	3.7
2002*	94.728	-16.3	85.238	-21.3	179.966	-18.8

* The decrease in student numbers in 2002 is due to the introduction of tuition fees in 2001–02 (see section 2.2)

Source: bm:bwk 2002, Vol.2: page 163; authors calculations

Policy makers did not take hard measures against further expansion. Rather, they choose soft 'cooling out' strategies, mainly through increased 'counselling' activities, which emphasised the risks of graduate unemployment and pointed to the attractiveness of alternative vocational training opportunities. The retrenchment policy caused a serious deterioration of study conditions. Student aid, which was expanded during the 1970s, was now cut back. And yet, students and their families did not respond to such policy signals, they stubbornly continued to enrol in increasing numbers (even though the growth rate decreased from 50% during the early 1970s to 20% during the late 1980s) (see table 1).

One reason for the changing attitudes to expansion was the concern of policy makers for the high drop-out rates and the very long duration of studies.³ Austrian universities were not sufficiently adapted to mass higher education. The increasing number of students did not fit into the traditional patterns of teaching and learning.

Many factors contribute to the weak educational outputs. Most important is that Austrian universities adhere to a *laissez faire* style of teaching and learning, which was appropriate in a small elite system but caused chaos under the conditions of mass participation:

- There is 'open access' in the sense that every citizen who has a final certificate of the elite track of upper secondary education is entitled to enrol at any Austrian university and in any field of study for an unlimited period. Universities are not allowed to reject students due to limited resources. The *laissez faire* conditions do not allow for resources to be made dependent on student numbers. This makes it easy for the government to adhere to an open access policy without feeling too much of an obligation to suffer the financial consequences. In particular, the teacher-student ratio has dramatically deteriorated over the last three decades. Involuntary waiting time of students due to lack of resources (e.g. waiting lines for laboratories, inadequate student-teacher ratios) contributes substantially to the long duration of studies.

³ Austria belongs to the countries with the highest drop-out rates (more than 50%) and the longest duration of studies (7.5 years for the first degree) within the OECD (see OECD 2003).

- The liberal admission policy has its equivalent in the curriculum which is strongly shaped by the Humboldtian tradition. From the very first, semester students are treated like ‘apprentice researchers’ who are capable of conducting their studies in a completely independent manner. Students can either attend lectures and seminars or not. Equally relaxed are the obligations of academics vis-à-vis the students. A need for guidance and monitoring by the staff is not acknowledged. Students are not regarded as school children who need help; they are regarded as mature persons who are able to learn independently.
- A further aspect is the right to unrestricted length of study. It is up to students to take an exam at the end of the course or to delay this decision to a later semester – potentially an open-ended process. The high degree of liberty allows students to determine the pace of their studies and not all of them opt for vigorous learning. At first glance, this seems to be an incredible privilege for students, a dominant issue in the Austrian policy debate. However, this liberty is a double-edged sword. Since the university does not monitor the progress of students, it is very easy for academics not to care about student needs. The laissez-faire conditions for students are matched by laissez-faire conditions for academics. Neither of the two sides has formal obligations vis-à-vis the other as occurs in some other higher education systems, mainly in the Anglo-Saxon world. In a sense, this is the core of the Humboldtian ideal of a university. The question of whether this remains a proper approach to mass higher education was never addressed in Austria.

While the 1980s were shaped by a rather sceptical, sometimes even disapproving attitude towards expansion, the mood changed in the 1990s. Policy makers again started to believe in the social and economic value of increased educational aspirations and efforts of the population. Hence the subtle ‘cooling out’ strategies of the former decade gave way to a more positive and optimistic assessment of student expansion. During the 2nd reform cycle a variety of reforms was introduced which aimed at making higher education more responsive to the needs of students and at enhancing ‘throughput’. The policies regarding expansion differed compared to those of the 1st reform cycle – at the level of tacit assumptions as well as with respect to explicit organisational measures. Most important was the establishment of the *Fachhochschul* sector in 1993 and the re-introduction of tuition fees in 2001.

Austria was one of the few OECD countries which did not establish a non-university sector during the early stages of expansion. Attempts to create an alternative to universities in the early seventies failed (Lassnigg and Pechar 1988). Hence, expansion during the 1970s and 1980s took place almost completely within universities.⁴ During the 2nd reform cycle, the homogeneous character of Austrian higher education was now seen as an obstacle for further expansion. The most important step to foster the diversification of the system was the establishment of a *Fachhochschul* sector in 1993. Its main mission was to provide vocationally oriented courses which could be effectively completed in three or four years (most *Fachhochschul* courses require a minimum length of study of four years). This called for a different culture of learning from that of universities. Students at *Fachhochschulen* are expected to take a normal workload. On the other hand, the institution must accept a high degree of responsibility for student needs. Experience suggests that few students drop out (10–20%) and most students complete their courses in ‘standard time’. The new sector was not established by upgrading existing institutions but rather through the creation of completely new institutions. As a consequence, the *Fachhochschul* sector can only grow slowly and will be – in the short- and even mid-term perspective – much smaller than the university sector. For the academic year 2002–03, there were 125 *Fachhochschul* courses offered. The sector has about 17,000

⁴ There was always a tiny non-university sector (training for teachers at compulsory schools, social workers and para-medical professions) which was not regarded as part of higher education in Austria.

students, and has produced 10,000 graduates. In only a few years the sector has built a high reputation amongst students, employers and the general public.

During the 1st reform cycle higher education was regarded as a pure public good. It was seen as the responsibility of the state to provide and fund all higher education. No tuition fees were charged. Commencing in the 1990s, the lack of public resources again stirred a debate on the need for possible additional revenue from private sources. In 2000, the newly elected conservative government decided to introduce tuition fees amounting to 363 Euro per semester starting with the academic year 2001–02. The fee policy gave rise to criticism, some of it for good reasons:

- The fees were not additional income for the universities but collected by the treasury; it was a 'student tax' to facilitate fiscal consolidation, not to improve conditions at universities⁵.
- The 'flat fees' introduced by the government for all enrolled students do not differentiate between full-time and part-time students.⁶ Students who combine study with work and hence need a longer duration of study pay more for their degree than full-time students.

The most important question is whether fees function as a social barrier for students from low income families. It is too early to answer this question based on empirical evidence. However, social selection due to fees is unlikely for the following reasons:

- The 363 Euro fee per semester is relatively low. In addition, students who are eligible for student aid are exempt from fees.
- Evidence from the first three years suggests that fees did not result in a decline in the number of active students. At first glance, enrolment figures declined by more than 20% (see table 1). However, this decline can be explained in terms of the exit of non-active 'paper students' who under previous laissez-faire conditions stayed enrolled for various reasons. Estimates based on examination statistics concluded that the number of active students⁷ remained stable (Pechar and Wroblewski 2002; bm:bwk 2002: 150). In 2001–02, when fees were charged for the first time, there was about an 8% decline in the number of first-year enrolments. However, this decline was compensated for in the following years with first-year enrolments higher than expected.

2.2. Governance: From State Agency to Public Enterprise

The traditional governance pattern of the elite system was characterised by a dualism between administrative and academic issues: the university was a state agency and subject to centralised decision making by legislation and state bureaucracy while all issues regarding teaching and research were in the hands of the academic oligarchy – each chairholder in charge of their own specialised field of research. The university as an organisation was weak. The most important issues were directly dealt with between the chairholding professors and the state bureaucracy. It was the self-image of the university to be a self-governing community of scholars held together by common values. The rector was regarded as *primus inter pares* to represent the university, not to govern, let alone manage it.

⁵ This was changed in 2004: fees are now the income of universities.

⁶ Austria has no formal part-time status for students. However, it is well known that at least half of the students are in fact part-time because they combine study with work.

⁷ 'Active students' were defined as those who took at least one examination during a period of two years.

Academics usually did not strive for corporate autonomy of the university. The educated elite regarded it as a cultural obligation of the enlightened secular state (*Kulturstaat*) to provide beneficial circumstances for academic life. The state was seen mainly as a power to protect the integrity and autonomy of universities, not as a potential threat to their independence. Academics were civil servants with lifelong tenure. This status was supposed to secure academic freedom against outside pressure. The implicit precondition for this pattern of dual governance was mutual trust and respect between academics and policy makers. Of course, there were occasional conflicts between politicians and bureaucrats on the one hand, and academics on the other; but, for most of the time, the relationship was based on tacit understanding.

This period of implicit agreement between the state bureaucracy and senior academics was seriously disturbed during the 1st reform cycle. A majority of the academic oligarchy opposed the higher education reforms, in particular policies to increase student participation and to give junior faculty and students decision-making power in collegial bodies. The government had to enforce such policies by legislation and other means of regulation. During that period the mutual trust and respect between academics and policy makers started to erode. The tension was not immediately apparent due to the alliance between governments and reform-oriented academics. However, as soon as this alliance disintegrated (due to the retrenchment policy starting in the 1980s) it became obvious that the old pattern of smooth cooperation was gone. The fragile construction of an 'autonomous state agency' dissolved. The state was no longer regarded as a benevolent patron; academics no longer accepted and trusted decisions of policy makers.

The 2nd reform cycle can be interpreted as an attempt to split areas of administrative decision making at the system and institutional levels which formerly were intermingled (the 'autonomous state agency') but no longer fitted together. The government abandoned the *Kulturstaat* tradition and instead embraced the Anglo-Saxon policies of new public management (NPM). The first major step to apply NPM to higher education was the establishment of *Fachhochschulen* in 1993 (Pratt and Hackl 1999):

- For the *Fachhochschul* sector there were no legal ownership restrictions. All institutions were owned by 'quasi-private' associations or corporations and governed by professional management.
- The academic and non-academic staff of *Fachhochschulen* were employed and appointed by the institution.
- Students were admitted by the institution in accordance with available study places.
- Decisions on the curriculum were made by the responsible academics in cooperation with institutional management. The final responsibility for quality in the *Fachhochschul* sector was in the hands of an external professional body, the *Fachhochschulrat*. The *Fachhochschulrat* guaranteed minimal standards of quality. Furthermore, *Fachhochschulen* were expected to vary widely in terms of profile and quality of their education.
- From the federal government, *Fachhochschulen* received a lump sum based on student numbers. In addition, *Fachhochschulen* received funds from multiple public sources; not only the federal state, but also provinces and municipalities, and in some cases chambers, played a significant role.

It was much more difficult to apply the NPM approach to universities. In 1993, the Ministry drafted a reform Act which aimed to fundamentally restructure organisation and decision making at universities. The government wanted to strengthen the managerial elements at the top university level: the rector who represented the tradition of 'first among equals' should be replaced by a president who would not be dependent on collegial bodies; and governing bodies which represent relevant (and powerful) stakeholders should be established.

The majority of academics opposed the concept of institutional autonomy which was seen only as an excuse for the government to get rid of its financial responsibilities for higher education. As a response to this strong opposition the government softened its initial approach:

- The leadership positions at the top of the organisation were strengthened but their power was balanced by the significant influence of the collegial bodies.
- The influence of external stakeholders was reduced: no governing boards, but advisory bodies were introduced.

As a consequence, the Ministry refused to give a lump sum budget to universities; it assumed that universities did not have sufficient managerial structures to handle this kind of budget. The University Organisation Act of 1993 (UOG 1993) was a compromise between the proponents and the opponents of the reform and only a cautious step towards more institutional autonomy. It was easy to foresee that it was only an intermediary stage.

It was probably the most important consequence of the UOG 1993 that new types of actors emerged in higher education policy: the new rectors who – compared to the former type of rector – had significantly increased power; and the deans who became much more powerful than formerly. The emergence of this new group of academics, which was small but quite influential, significantly changed the power relations in the higher education policy networks. In many respects this group represented horizontal interests and positions in contrast to the usual vertical relationships between government and universities. It was important that the new senior academics became more sensitive to external needs and pressures; they could no longer be regarded as a group representing the internal interests of academe, but increasingly they were viewed as a mediating power block between internal and external pressures.

It was mainly this group that complained that the UOG 1993 was only a first step to efficient management structures. The new rectors wanted full legal entity for universities and a lump sum budget which would relieve universities of the state accountancy (*Kameralistik*). When the government took up this initiative and started to develop a new reform strategy it was not in the uncomfortable position of fighting alone against a united front of academic estates; rather, it had a powerful ally in the universities (who at least strove for the same goals). Some members of this group were actively involved in drafting the reform law (Titscher et al. 2000).

In 2002 the new Organisational Act (UG 2002) was passed by Parliament (see Sebök 2002). The implementation of the new Act started in 2004. The most important changes are:

- Universities cease to be state agencies and get full legal entity. However, universities will not be privatised; they remain in the domain of the public law, they are 'legal persons under public law' (*Körperschaften öffentlichen Rechts*).
- The federal government keeps the responsibility for basic funding, but universities are relieved from the fiscal regulations of the federal budget (*Kameralistik*) and instead receive a lump sum budget under their own discretion. Resources are allocated on the basis of performance contracts. Twenty per cent of the budget allocation will be based on indicators.
- The internal organisation of universities – other than the general regulations regarding the decision-making structure – is not prescribed by law. The organisational details should be determined by a statute (*Satzung*) decided by the academic senate.
- For each university a governing board (*Universitätsrat*) is established; the size of the board is to vary between five and nine members, according to the statute; half of the

members should be elected by the academic senate, the other half appointed by the Minister.

- The position of the rector is strengthened against power struggles within the university; rectors are to be elected by the board and thus more independent of all collegial academic bodies than before. On the other hand they become more dependent on the board.
- The new university with full legal entity is the employer of all academic and non-academic staff. Academics are no longer civil servants but employed by private contracts.

The new organisational law is probably the most far-reaching reform since 1849, when Austria embraced the Humboldtian model. Austrian universities will cease to be state agencies and will acquire a kind of corporate autonomy unparalleled in the last 400 years. The new Act probably makes Austria a leader in the 'managerial revolution' on the European continent. Policy makers will regard this as a success. Most academics have mixed feelings.

2.3. Change in the Working Conditions and Career Patterns of Academics

During the past forty years working conditions of academics have changed dramatically. Most significant are changes for junior academics. In the elite system, their position was characterised by severe personal dependency on chairholders who were heads of academic units. All academic staff were subordinate to the chair. This dependency was increased by the fact that due to the lack of formalisation and legal regulation professors had a high degree of discretion. On the other hand, small elite systems were characterised by a low growth rate or almost stable conditions. In 1946, Austrian universities had 382 professors and 1060 assistants (BMfU 1969: 81ff). The ratio of professors to assistants was then 1 to 2.8. Under such circumstances, the majority of junior faculty had reasonable prospects to be promoted to full professorial status.

Table 2. Academic and Non-academic Staff at Research Universities

	1970	1980	1990	1995	2000	2001	2002
Professors	906	1589	1732	1854	1854	1850	1850
Assistants	3653	4883	5434	6801	7335	7628	7696
Other non-professorial academic staff	317	690	727	746	763	748	746
Academic staff total	4876	7162	7893	9402	9952	10226	10292
Non-academic staff	3304	4316	5716	6743	8032	8073	8084
Total	8180	11478	13609	16145	17984	18300	18376

Source: bm:bwk 2002 Vol.2, page 85

The expansion of student numbers since the 1960s led to an increase in work, tasks and complexity; new administrative functions arose. Universities could only cope with this burden by expanding the number of junior faculty. In the course of the expansion of higher education, non-professorial academic staff took on an increasing range of academic functions, many of them independently, without the guidance of a professor. The traditional assumption that the junior faculty may only engage in supportive services for the professoriate could no longer be maintained. As a consequence, junior faculty were partly included in self-governing bodies and collegial decision making.

Also with expansion, the notion of the 'chair' lost its original significance (although it never vanished completely). What remained was the steep hierarchy among professorial and non-professorial academics and the strict limitation of professorial posts. Professors belong to a fundamentally different group (*Kurie*) of academics than junior academics. Hence, regular

promotion of junior faculty to professorship (as a result of individual academic success) is not possible.

Austria belongs to the group of countries that has an exceptionally long training period for academics. Belonging to the Humboldtian tradition, requirements for gaining full professional status included not only a doctoral degree, but in addition a *Habilitation*, a kind of second thesis. On average, junior academics finished their *Habilitation* at the age of about 40.⁸ However, the completion of the *Habilitation* by no means guaranteed promotion to professorship. While within the group of non-professorial academics promotion depended on the individual academic success of each person, promotion to professorship is in principle of a different kind. Advancement to professorship requires an application for a new post; a precondition is that such a post is vacant. The collective chances of the junior faculty for promotion to full professorship mainly depend on the quantitative relation between the two groups. If the number of junior academics increases while the number of professors remains stable (or increases to a lesser degree), the (collective) chances for promotion decrease.

During the last decades the number of non-professorial academics increased faster than the number of professors, resulting in a growing mismatch of the two types of academic posts (see table 2). During the first years of expansion this was unavoidable, because there was an undersupply of experienced and trained academics who could serve the needs of an expanding institution. Hence, in the 1970s, the relation between professors and assistants (which was 1:2.8 during the late 1940s) changed to 1:4. To provide regular career options for these young academics it would have been necessary during the late 1970s and 1980s to expand the posts of professors accordingly. That never happened. In 2002, there were 4.2 assistants per professor.

A necessary consequence of this development was that an increasing number of assistants with *Habilitation* could not be promoted due to a lack of professorial posts. Table 3 illustrates the quantitative dimension of that problem. One can assume that academics should have reached their full professional status at least by the age of 45. However, in 2001, there were 1672 assistants with *Habilitation* who were older than 45. They had the formal qualifications for promotion to professorship, but no such post was available in an academic system which has distinct *Kurien* instead of a continuous career scheme. This group of potential professors was almost as big as the group of 1850 full professors.

Table 3. Age Distribution of Assistants with Habilitation in 2001

Age	Total	%
Younger	457	16
41–45	655	24
46–50	594	21
51–55	444	16
56–60	416	15
61–65	207	7
Older	11	0
Total	2784	100

Source: bm:bwk, author's calculations

⁸ There is some irony in the fact that Austrian higher education – embedded in the Humboldtian tradition – concedes the ability to independent learning at a very early stage to students, whereas independence of academics is significantly postponed. Students are considered as independent researchers from the very first semester, with the consequence that the university does not feel any responsibility to monitor their studies. Academics, on the other hand, acquire full professional status on average only in their 40s – with the side-effect that the university has an impressive number of helpful hands who may be called on to full professors.

Commencing in 2004, the new university with full legal entity will be the employer of all academic and non-academic staff. Even in large and complex universities the institutional management will be much closer to the basic academic units and their work than the bureaucracy of the government; closer in terms of space, professional competence and shared academic values. This is a severe break with the Humboldtian legacy: the university as a whole used to be a fragile bundle of individuals and small units, striving in different, sometimes opposite directions, integrated by a common ethos and other rather symbolic mechanisms. In each specialised field, teaching and research were shaped by the ambitions and interests of single academics.

Now the 'principal' comes closer to the 'agent', possibly close enough to effectively influence their work. Not surprisingly, there is a lot of suspicion among academics of the organisational change and the corresponding decision-making structures. Rectors were regarded as *primus inter pares*, now they are 'bosses', 'superiors'; this is at odds with the traditional concept of academic autonomy which means: no subordination, no formal responsibilities vis-à-vis other academics, in particular for the members of the guild, the chairholders.

It is not yet possible to evaluate the consequences of the new law on academic working conditions. Many academics think that the new legislation has imposed the decision-making structures of the corporate world onto universities. They fear and expect a hierarchy which will not leave sufficient room for collegial decision making; an authoritarian mode of leadership which will not allow appropriate faculty influence. The mistrust mainly among junior faculty has been enhanced by repeated statements of representatives of the Ministry emphasising the importance of academic hierarchy and autocratic management. The new law has in any case lowered the status of non-professorial academics. They are now weakly represented in collegial bodies, and are no longer eligible for leading functions at all levels. It remains to be seen, to what extent the collective agreements between the universities and the union will revoke some of these developments.

3. Final Remarks

It is commonplace among academics to emphasise the differences between the two reform cycles. Many regard the policies of the 2nd reform cycle as a backlash, as a destruction of all the advancements which were achieved during the previous reforms. Government representatives, on the other hand, claim that the 2nd reform cycle truly paved the way to the modernisation of Austrian higher education. Indeed, the underlying policy paradigms of the two phases differ in many respects. Yet, the two periods also have much in common. It could be that future historians of Austrian higher education emphasise the common characteristics of reform policies since the 1960s which stand in sharp contrast to the conditions of the former elite system.

The connecting common ground of the two reform cycles is the end of the government being a benevolent patron to universities. This pattern of cultural policy started in the second half of the 19th century, when Austria embraced the Humboldtian model. The precondition of this pattern was a small, homogeneous system of universities which was held together by the common values of the educated elite – including senior civil servants who provided beneficial circumstances in which elite institutions were supposed to prosper.

This pattern came to an end with the emergence of a knowledge-based economy which fundamentally and irrevocably changed the social foundations of universities. It tremendously increased the importance of research and teaching at universities, but at the same time abolished many privileges which were taken for granted during the elite period. Higher education ceased to be a 'luxury' and became a need, an absolute necessity in terms of social demand and economic competitiveness. During the 1960s and early 1970s it was easy to

confuse the new economically driven reform policy with a continuation of former attitudes of the benevolent state (*Kulturstaat*); after all, governments increased funding and they awarded attention and importance to universities at a level unknown previously. However, the crucial difference, soon to become apparent, was that governments no longer gave unconditional support to elite institutions on mere cultural motivations (a kind of *noblesse oblige*), but that public funding from now on was based on the expectation of social and economic returns. Under this perspective the two reform cycles can be interpreted as two different policies with the common intention of making universities more responsive to social and economic demands.

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