

# Governance Reforms in Comparative Perspective and Their Path in the Italian Case



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**Abstract** Reforming governance in higher education has been a kind of mantra that has characterised governmental policies worldwide. Under the pressure of massification, globalisation and socio-economic demands, governments have continuously intervened to redesign the characteristics of the governance arrangements of their higher education systems as well as institutional governance. This common effort has been characterised by the adoption of a common template (i.e. the ‘steering at a distance’ model), mainly based on the idea of making universities more accountable to the societal goals through the massive use of evaluation, assessment and monitoring. The final results are highly differentiated, owing to the fact that each country has implemented a common template according to its own national characteristics and legacies. In this context, the Italian case shows its own peculiarities, whereas evaluative tools have been significantly adopted in a design highly contradictory of other dimensions such as institutional governance, the rules of careers and academic recruitment and the lack of clear systemic goals to be reached.

**Keywords** Governance reforms · Hybrid governance · Italy · Recovery Resilience Plan · Policy Instruments

## 1 Introduction

Over the last three decades, governments have consistently intervened in higher education (HE). Additionally, significant changes have occurred in inherited national governance modes. In continental Europe, these governmental policies have attempted to abandon the inherited continental governance mode, which is characterised by hierarchical coordination through state-centred policies, a lack

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of institutional autonomy, the powerful and all-pervasive authority of academic guilds, and faculties and schools as ‘confederations of chair-holders’ (Clark, 1983), in favour of the model adopted in English-speaking countries. These reforms have been characterised as ‘autonomistic’ because universities have been granted more institutional autonomy at various levels and intensities. However, institutional autonomy does not stand alone. The other side of this phenomenon has been the changing role of governments in leading their HE systems and their university systems in particular. Governments have drastically reduced the use of the traditional direct command and control strategies in favour of leading from a distance based on national standards, procedures for monitoring and evaluation, criteria for financial rewards and changing internal institutional governance arrangements (Lazzaretti & Tavoletti, 2006; Huisman, 2009; Paradeise et al., 2009; Enders et al., 2013; Capano & Jarvis, 2020). In contrast, in the Anglo-Saxon world, governments have increased their intervention and regulation despite a historical tradition promoting institutional autonomy for universities (El-Khawas, 2002; McLendon & Hearn, 2009; Schuetze et al., 2012; Jones, 2012). It has been a long process through which some historically rooted characteristics of systemic and institutional governance have been significantly modified.

This chapter is committed to sketching out the general picture of these reforms to help readers of this book contextualise the Italian case and, consequently, the evolutions of the institutional and policy arrangements in which research, teaching and the academic profession have developed.

## **2 The Structural Problem in Governing Universities and the Old Governance Solutions**

The governance problems in higher education are twofold: one concerns the institutional dimension (i.e. how an individual university is coordinated and produces its own policies), while the other concerns the systemic dimension (i.e. how national higher education policy is designed and implemented).

Universities are *sui generis* institutions, whose constitutive nature (i.e. the fact they are federations or confederations of academic subjects and niches) has structural implications for their internal dynamics; this creates never-ending problems for institutional governance. Universities bring together groups of individuals doing very different jobs (e.g. the job of a biologist compared to that of a historian, or the job of a computer technician compared to that of a help-desk employee), many intertwined decision-making processes, and a great variety of institutional outputs that range from basic to applied research and PhD programmes to continuing education courses, etc. There is an inescapable organisational and functional complexity in universities; in order to grasp this complexity, some scholars have proposed terms such as ‘multiversity’ (Kerr, 1963) or the ‘federal or conglomerate form of organisation’ (Clark, 1995).

Because of such features, universities are considered a typical loose-coupling organisation or a form of organised anarchy. From this point of view, universities as loose-coupling institutions are characterised (Orton & Weick, 1990) by:

- Causal indeterminacy
- A fragmented external environment
- A fragmented internal environment

Causal indeterminacy means that the actions of universities are characterised by the intrinsic ambiguity and uncertainty of means-ends relations and by a contradictory variety of goals. For empirical evidence of this point, one only has to read the statutes of certain universities or the decisions taken by their collegial governing bodies in order to see how linear rationality and causality do not really apply to higher education institutions. Universities see themselves as pursuing excellence in research, the freedom of teaching, the socio-economic development of their society, equity and accountability; however, at the same time, they are subdivided into a variety of different niches and academic disciplines, each with its own mission, epistemological basis and professional rules. In such a context, causality is very often the result of chance or serendipity.

A fragmented external environment simply means that a large number of external stakeholders continuously demand several contradictory things from universities, such as local economic development, technological applications, the increased quality of the stock of human capital, its selection and education, social and political elites, social mobility, etc. This means that the expectations of the external environment may be incompatible with those of the universities themselves.

A fragmented internal environment simply refers to the constitutive variety of universities' internal components. They are composed of different academic 'tribes' that constantly seek to defend their own territory (Becher, 1989), by various groups of students' demanding very different services, and by the non-academic staff. At the same time, there is a variety of institutional levels and structures within the universities. Collegial governing bodies, faculties, departments, committees, research centres and institutes: universities are overcrowded with nested institutional arenas. This internal fragmentation is self-reproducing, self-sustaining and in accordance with a self-referential rationality.

Universities as loose-coupling organisations complicate their institutional coordination, that is, their internal governance, while at the same time explaining their ability to adapt and survive. For example, internal fragmentation enables them to register a very large range of external inputs and demands and subsequently to offer a variety of responses: this is an essential resource for institutional adaptation to external challenges. Furthermore, their loose-coupling nature provides universities with the power to buffer (i.e. to lower or to isolate) disturbances from the external world. Their buffering capacity also explains the intrinsic feature of the institutional development of universities—they are capable of change, but only by adapting to external changes. This institutional change is based on what Schon (1971) called 'dynamic conservatorism'.

It should be noted that even if they are loose-coupling organisations, universities nevertheless possess a number of internal tightening-up mechanisms (Lutz 1982). In fact, they are also bureaucratic organisations with a plethora of official internal regulations that need to be observed in order to pursue the institutional mission (for instance, time schedules for classes, rules on the recruitment of professors, rules on institutional government, etc.). This means that there are rules and practices designed to reduce the anarchic, ambiguous trend triggered by loose-coupling elements. What is now evident is the day-to-day battle between the looseness and the tightness of the institutional working and proper functioning of the university.

Thus, the governance quandary in higher education is, above all, represented by the intractable problem of how to coordinate a specific institution, the university, which is intrinsically fragmented and composed of a variety of loosely connected groups and interests, and to render it accountable and responsible—both at the institutional and the systemic level. In basic terms, the governance problem consists of getting universities to behave as ‘institutions’ and ensuring that the higher education system as a whole effectively responds to the needs of society. The three levels (infra-institutional, institutional and systemic) are strictly interconnected: each is the other face of the others.

If one examines the development of universities in the Western world over the past two centuries, one sees that the governance problem has been resolved in a variety of different ways and according to the specific national context in question. We should not forget that universities do not exist in a vacuum; they are deeply rooted within a specific economic, cultural and socio-political system. Several attempts have been made to classify governance within higher education in order to take account of this structural differentiation underlying the idiosyncratic character of higher education. The best-known attempt of such nature resulted in Clark’s triangle (1983), which consists of the interaction of three mechanisms of systemic and institutional coordination: the state, the market and the academic oligarchy. Clark proposed three ideal types of higher educational governance: the Continental, American and British types.

The Continental model’s constitutive elements are as follows: systemic, strongly hierarchical coordination through state-centred policies; no institutional autonomy; the powerful, all-pervasive authority of the academic guilds; faculties and schools constituting ‘confederations of chair-holders’. The British model, on the other hand, is characterised by substantial institutional autonomy, collegial academic predominance, and the moderate role of the state. Finally, the American model consists of the strong procedural autonomy of universities, which is counter-balanced by the substantial public monitoring of the quality of performance and results<sup>1</sup>; the important role of external stakeholders (which also means the significant role of

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<sup>1</sup> The important influence exercised by U.S. governments at both the federal and state levels and on the institutional behaviour of universities is too often underestimated. Federal government plays a crucial role because of its earmarking of huge amounts of funds for research and for student aid programmes: federal government has used its financial weight to profoundly influence both public and private universities (especially those particularly committed to high-quality research). State

public political institutions in the case of public universities); academics' weaker role in determining universities' strategic objectives, which is counterbalanced, in accordance with the principle of 'shared governance', by their more substantial powers in relation to traditional academic matters (e.g. staff recruitment, course content, etc.).

### **3 The Challenge of Massification and Modernisation as Drivers for Radical Changes in Governing Higher Education Systems**

However, the historically rooted models of governance in Western countries, masterfully represented by Clark's ideal types, have had their limitations exposed when faced with modern-day challenges. Each inherited governance equilibrium has been obliged to change. In the past, universities were never subjected to such similar pressure to dramatically change their own hundred-year-old governance practices and equilibrium.

So the question is: what caused this tremendous and unexpected pressure to change? The answer is simple: societies and governments have started to take great interest in higher education because, within a global context of strong competition, the quality of human capital needs to be continuously improved, and new technological solutions have to be found in order to support economic development. Society and governments have started to demand increasingly more from the higher education system. Some examples are provided below:

- A rapid increase in participation rates intending to transform an elite system to a mass system and universal education, which Martin Trow theorised about more than 40 years ago (1974)
- The increased diversification of educational demands (general education, specialised education, life-long learning, distance learning courses, internationalisation of courses AND research training)
- The development of training and technology for local communities
- Education designed to spur economic development

Almost paradoxically, these new demands have arisen at a time when public funding is increasingly being cut due to the fiscal crises of the state. Public funding is of fundamental importance for all higher education systems (with the partial exception of the USA). Higher education institutions were thus strongly asked to do more than they had in the past and at a quicker rate, notwithstanding the continued reductions in public funding. Moreover, universities are suddenly being asked to be accountable. Unlike in the past, universities are now asked to report on their

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governments play a crucial role, since they are both the 'owners' and the 'regulators' of public universities (Berdahl, 1999).

use of both public and private resources and on the results of their utilisation. Universities must be accountable for financial and physical resources; the quality of teaching innovations; student recruitment; faculty appointments; research resources, productivity, and knowledge transfer; rigour in management and quality assurance; and the well-being of students and staff.

It is this tremendous external pressure that has definitively brought down the walls of the ‘ivory towers’. One of the inevitable consequences of this new trend has been the structural pressure to change the inherited and historically rooted governance arrangements.

It is no coincidence that Clark’s basic assumptions have been further developed by other scholars trying to adjust the theoretical definition of governance in higher education to real changes. For example, Van Vught (1989) proposed two possible governance models: the *state control model* and the *state supervising model*. The first, which is characteristic of the continental European tradition, sees the state regulate the procedural aspects, and often the content, of student access, the recruitment and selection of academic staff, the examination system, degree requirements, the content of curricula, etc. At the same time, academics maintain considerable power over the internal life of universities. In this model, universities are weak institutions because the important power relationships are those connecting the local academic guild to the central bureaucracies. The state supervising model is characteristic of the English-speaking world, where universities are stronger and are usually governed on the basis of academics and internal management sharing governance), and the state plays a subtler role, *steering at a distance*. Other types designed to encapsulate the features of other forms of higher education governance have also been proposed (see, for example, Becher & Kogan, 1992; Braun & Merrien, 1999). In all of the aforementioned cases, the state plays an important role.

#### **4 The Long March of Higher Education Reforms**

New challenges have called for a radical re-thinking of governance models at the institutional and systemic levels; this, in turn, highlights the need to redesign not only the formal rules at both the institutional and systemic levels by changing the distribution of powers and responsibilities, but also the governance arrangements (i.e. the way in which decisions and policies are made, implemented and coordinated). Hence, this is not only a case of institutional reform but above all a case of policy change.

Generally speaking, the basic levers of reforms can be summarised as follows (see Amaral et al., 2002; Enders & Oliver Fulton, 2002; Gornitzka et al., 2005; Lazzaretti & Tavoletti, 2006; Cheps, 2006; Maassen & Olsen, 2007; Trakman, 2008; Huisman, 2009; Paradeise et al., 2009; Shattock, 2014; Capano et al., 2016; Capano & Pritoni, 2020a, 2020b; Capano & Jarvis, 2020): institutional autonomy, funding mechanisms, the quality assessment of research and teaching, internal institutional

governance and the changing role of the State. At the same time, it should be pointed out that governments had, and continue to have, a predominant role in the reform of governance in higher education. This is also the case for public universities in the USA, where state governments have been very active (McLendon, 2003a, 2003b; Leslie & Novak, 2003; El-Khawas, 2002).

The above basic levers have been moulded differently at the national level, although some common features have emerged:

- In European countries, governments have abandoned the state-control model in favour of steering universities from a distance by giving more autonomy to these institutions. In some countries, such as the Netherlands, Sweden, Denmark, Finland and Austria, governments have radically changed the institutional arrangements of universities by abandoning the traditional democratic mechanisms to elect the institutional leaders and the governing body for an appointment system. This has also been adopted in non-European countries such as Japan and China. The supervisory role of the state (Neave & Van Vught, 1991) is implemented by steering on the basis of new 'soft' methods of coordination no longer based on hard rules but on soft contracts, targets, benchmarks, indicators and continual assessment.
- In the English-speaking world, governments have increased their intervention and regulation, despite a tradition of institutional autonomy. In the UK, Australia and New Zealand, governments have substantially restructured the national governance framework by creating national agencies for the assessment of research and teaching, and through a strong commitment to realigning the behaviour of universities to socio-economic requirements. At the same time, public universities in the USA have been strongly encouraged to adopt a more competitive stance in order to obtain more funding from private sources, in a substantial process of marketisation (Capano & Jarvis, 2020).

Within this context of the substantial re-design of the borders and the general framework of higher education's systemic coordination, certain other features are present in all of the most important countries, with the partial exception of the USA (because of the intrinsic difficulty in defining the incredible variety of American higher education institutions as a system):

- Institutional autonomy does not mean 'independence' or 'academic freedom'; rather, it means the capability and right of a higher education institution to determine its own courses of action without undue interference from the state, but within a context that is strongly influenced by the same state. In this sense, the common interpretation of institutional autonomy is that of a policy instrument designed to increase the effectiveness of higher education policies; so what clearly emerges is that in those countries belonging to the Continental mode, where institutional autonomy was either weak or non-existent, governments have started to grant greater institutional autonomy; on the other hand, in those systems where university institutions have traditionally been very autonomous (e.g. in the English-speaking world), governments have started to



interfere in institutional behaviour through the introduction of new regulations, the assignment of targets, pressure for more inter-institutional competition, and so on.

- Funding traditionally earmarked for the functioning of universities has been abandoned in favour first of lump-sum grants.
- The entity of public funds assigned to universities is based on output-oriented criteria and performance-based contracting systems.
- There exists strong pressure to increase private funding (by increasing tuition fees and by selling services and research to private actors).
- National agencies or committees for the evaluation and assessment of the quality and performance of teaching and research in higher education institutions have been established in all Western countries (with the exception of the USA and Canada).

At the institutional level, under the pressure of governmental policies, a common trend has emerged even in those countries where pre-existing institutional-governmental structures have not changed or are changing very slowly, as in Italy (Capano, 2008), Spain (Mora & Vidal, 2005), France (Mignot Gerard, 2003) and Germany (Kehm and Lansendorf 2006): environmental pressure from society, governments, economic requirements, etc. shift the balance of power and authority within universities. The centralisation of institutional authority has grown steadily over the years. This implies the following:

- The strengthening of the role of individual leaders (presidents, rectors, vice-chancellors, deans)
- The reinforcement of the role of central administration and management
- The strengthening of the power of governing boards both in the English-speaking world and in the reformed European systems
- A decline in the influence of academics and academic guilds on institutional decision-making (the said guild often conflictS with and resistS centralisation trends). This creates a structural risk of stalemate in the internal decision-making process
- The introduction of new management tools, such as strategic plans, budgeting and financial management, internal audits and quality assessment systems
- Play an increasingly important role in governance

## **5 The Hybridity of New Systemic Governance in Higher Education: Same Instruments but Different Policy Mixes**

What clearly emerges in the comparative picture sketched above is that the forms of governance within higher education policy are changing radically: the question is, how are they changing? If one examines the plethora of comparative studies of governance shifts in higher education that have been produced over the last



30 years, it is clear that at the systemic level, the governance models of the past have been clearly abandoned in favour of a new template, the steering at a distance model that, however, has been adopted in different ways according to the context and the national traditions. This variety has justified different and sometimes radically divergent assessments of these reforms. For example, there are studies that underscore how, in recent years, there has been a strong re-regulation of the field in many countries (Enders et al., 2013; Donina et al., 2015). Other scholars consider governance reforms in higher education a product of the neoliberal age and thus emphasise the predominance of privatisation, deregulation, managerialisation and the limitation of academic freedom (Marginson, 2009; Olssen & Peters, 2005; Harvey, 2005). These positions are slightly extreme in assessing reality and very often consider only some dimension of the adopted governmental policies. It is not the case that recent research that compares many European countries has shown very differentiated results in terms of existing systemic governance arrangements, and that every country has adopted its national interpretation of the steering at a distance model by mixing evaluative, information and regulatory tools (Capano & Pritoni, 2020b). This variety can be ordered by focusing on the instrumental composition of the governmental policies adopted over time in the last decades. By following Capano and Pritoni (2019), this kind of instrumental perspective leads to the extraction of three different hybrid types through which the steering at a distance model has been implemented from a comparative perspective: the performance-oriented mode, the re-regulated mode, and the goals-oriented mode. Table 1 presents these three types of hybrid steering at a distance mode.

The performance-oriented mode focuses on performance, which means that a significant part of public funding is based on the assessment of teaching and research. Someone might expect this mode to be the most diffused hybrid due to all the rhetoric about evaluation that characterises the public discourse on evaluation worldwide), but this expectation does not correspond to the empirical evidence. In fact, it appears that among the European countries, only England and parts of Italy fit this hybrid (Capano & Pritoni, 2019). The peculiarity of this hybrid circumscribes it to these few cases; it does not appear that other systems in the Americas (perhaps except Brazil) and in Asia have really emphasised performance as the pillar criterion for governing their HEs (clearly, with the exception of New Zealand, which has been the pioneer in shifting towards a performance-oriented hybrid since the 1980s) (Capano and Jarvis, 2020).

The re-regulated mode is characterised by a strong proceduralisation imposed by governments, a relevant presence of target and performance funding and the tendency to not increase tuition fees. In this hybrid, evaluative practices are procedural and push more for compliance than for performance. This hybrid is adopted by governments that cannot invest too much in higher education and that try to steer their HEs by mixing common procedural rules and different types of evaluation and quality assurance. Additionally, this hybrid appears to be the one with more potential diffusion worldwide (especially in countries with a legacy of bureaucratic systemic governance in higher education). Regarding Western countries, it looks at

**Table 1** Types of hybrid systemic governance modes in higher education

| Types of “steering at a distance” | Main and leading instruments <i>Different mixes of Regulation, Expenditure, Taxation, and Information + public funding + tuition fees</i>  |
|-----------------------------------|--|
| <i>Performance-oriented mode</i>  | <ul style="list-style-type: none"> <li>• Significant percentage of public funding; based on the results of research assessment</li> <li>• Use of information tools</li> <li>• Many regulations of administrative procedures</li> <li>• Significant percentage of public funding based on evaluation of teaching performance</li> <li>• Student support based on loans</li> <li>• Relatively high tuition fees</li> </ul>   |
| <i>Re-regulated mode</i>          | <ul style="list-style-type: none"> <li>• Many procedural constraints on the main activities (recruitment, promotion, postdoc, teaching content and organisation of degrees, student admissions)</li> <li>• Proceduralisation of quality assurance</li> <li>• Target funding and performance funding</li> <li>• Average/low public funding</li> <li>• Low tuition fees</li> </ul>   |
| <i>Goal-oriented mode</i>         | <ul style="list-style-type: none"> <li>• Clear systemic goals stated by governments</li> <li>• Many opportunities in admissions, curricula, and institutional autonomy</li> <li>• High public funding</li> <li>• Information instruments (monitoring, reporting)</li> <li>• Strategic use of target/performance funding</li> <li>• Student support based mostly on grants</li> <li>• High performance and target funding</li> <li>• No/low tuition fees</li> </ul> |

the prevailing mode in Austria, Ireland, France, Greece, Portugal, Italy (partially) and the Netherlands (Capano & Pritoni, 2019).

The goal-oriented hybrid is foremost characterised by the presence of clear goals stated by governments that then design their systemic steering by mixing high public funding, a strategic use of evaluation and enormous student support. This hybrid is likely to be another European peculiarity since it is present in the Nordic European countries, which are the motherland of the broad welfare state. However, what makes the difference here is the strong capacity of the government in designing clear systemic goals that the institutions are asked to contribute towards achieving.

These three types of hybrid governance can be a useful point of departure for further research and for analysing systemic governance from a comparative perspective. Overall, for example, many Asian governments (e.g. China, Japan, Malaysia) seem to have been steering their HEs through a re-regulatory approach, while others such as Singapore and Hong Kong have been doing so through a goal-oriented approach. It would also be interesting to apply this framework to Latin America and to the states and provinces of the USA and Canada, respectively. For example, Quebec has clearly adopted a re-regulative mode, while in most of

the other provinces, the goal-oriented hybrid appears to prevail, although with the substantial difference that many of them have increased their tuition fees.

Clearly, the three hybrids could be biased because they are ‘continental’-specific and, thus, they cannot be considered exhaustive, especially because in European HEs, the private sector is marginal, whereas in other continents and national systems, the private sector can be large in size.

In this general context, there are some interesting national peculiarities that deserve attention. For example, there is a very relevant point of the performance funding linked to the quality of research that many observers consider as the pillar of every steering at a distance governmental policy and as the main innovation introduced in the last decades. On this crucial issue, it has to be noted that many countries have also introduced strong systems of performance evaluation for university research based on a period of institutional research assessment. However, among these countries, only a few link recurrent assessment to performance funding: Australia, Belgium, Hong Kong, Italy, Norway, the Slovak Republic, Spain, New Zealand and the UK. Among them, two countries allocate a significant portion of public funding to universities on the basis of national research assessment: Italy (30% in 2021) and the UK (approximately 50% of the direct public grant).

Thus, the role of evaluation, and the evaluation of research in particular, has become a pillar of the new existing governance arrangements; however, its impact is very different according to the specific national choice with respect to the financial relevance of the related public funding.

In this context, it is relevant to observe how in every country’s governments are also trying to implement national ways to make systemic performance stronger. For example, various countries (e.g. France, Germany, the Netherlands and Italy) have adopted contracts between the ministry and the individual universities to push towards institutional profiling. To increase the competitiveness of the national system, Germany has adopted the Excellence Initiative. France has created a national champion by merging a few higher education institutions in Paris and creating the University of Paris-Saclay. Italy has assigned extra funding to the best university departments.

## **6 The Evolution of Systemic Governance in Italy: A Long Process of Reforms with Contradictory Results**

According to what sketched above, Italy emerges as a contradictory case because it looks that the waves of reforms have created an apparently contradictory systemic governance arrangement: significantly performance-oriented but also deeply re-regulated. To understand this contradiction, which is the product of a specific national sequence of reforms, it is useful to summarise the diachronic evolution of the designed changes in the governance arrangements.

The Italian university system was characterised by centralised bureaucratic control and a self-governing academic guild (Clark, 1977). Thus, it was subject to a virtually pure type of bureaucratic governance mainly because the government had never indicated any clear goals for universities to pursue. From the 1960s through the 1980s, Italy's university system developed in an anarchical manner under the pressure of demand without being governed at all by the political centre. As a result, at the end of the 1980s, the situation was truly chaotic (Capano, 1998).

Suddenly, after a brief parliamentary debate, a new Ministry of University and Technological Research (MUTR) was created in 1989 under Italian Law no. 168. This law can be thought of as a watershed moment in Italian higher education policy and the beginning of a process of radical innovation, at least at the legislative level. In fact, Law 168 provided for a general framework of didactic, organisational and scientific autonomy for every university and thus can be considered the point of departure from the previous governance mode. The development of policy design in Italian higher education is characterised by constant legislation; this is understandable given that the original governance mode was highly centralised and bureaucratic. Table 2 presents the main policy design decisions made during the period 1989–2018 through which the Italian governance arrangements have been changed to deal with those global challenges that have been sketched above (Capano, 2011; Rebora & Turri, 2009; Capano et al., 2016; Capano, 2018).

As seen from the list of decisions, Italian policy design dynamics in the field of higher education have been characterised by constant reforms of the governance mode.

The new governmental goal is to shift to a steering at a distance model, which has been justified more in ideological terms than from a practical point of view. In other words, the idea of giving universities greater autonomy does not derive from a perception of any specific systemic need but rather from the general idea that the system could perform better if universities were more independent of bureaucratic, centralised control (Capano, 1998). Consequently, there was no clear idea for how to redesign the system according to the new governance mode; this led to the constant changes in national regulations that were designed to give greater powers to Italy's universities during the 1990s.

However, universities' perceived performance, especially in the teaching field, remained unsatisfactory; thus, a complete redesign of the features of institutional governance was approved in 2010 based on the idea that by strengthening institutional governance, universities would perform better and could thus be genuinely steered at a distance. At the same time, this attempt to correct how the steering at a distance model had worked in the previous 20 years was accompanied by substantial financial retrenchment and clear over-regulation of financial and recruitment matters, together with substantial bureaucratisation of the accreditation processes (Capano, 2014; Rebora & Turri, 2013; Turri, 2014; Reale & Primeri, 2014). Therefore, what emerges from the policy design dynamics of the Italian attempt to shift towards a steering at a distance model of higher education governance is that:

**Table 2** Main policy design decisions in Italian higher education governance

| Year    | Decisions   |
|---------|---|
| 1994–95 | <ul style="list-style-type: none"> <li>• Several budgetary laws were introduced: The lump-sum budget, the establishment of a national body to assess universities' performance (the National Committee for the evaluation of universities), the creation of internal assessment units within universities, a provision stating that the student fees at each university should not exceed 20% of the public funding received by the universities, and the introduction of evaluations of institutional performance for the allocation of public funding. It should be noted that this provision was terminated in 2003 when the percentage to be allocated reached 7%.</li> </ul>   |
| 1998–99 | <ul style="list-style-type: none"> <li>• A new law reformed the recruitment of academic staff by decentralising the existing system of national, centralised competition for posts.</li> <li>• A ministerial decree introduced a system of undergraduate/postgraduate curricula according to the Bologna declaration; this provision was partially reformulated in 2004 and 2007 to correct the misbehaviour of universities in implementing the new system.</li> </ul>   |
| 2004    | <ul style="list-style-type: none"> <li>• A new ministerial decree introduced minimum requirements to establish a degree course.</li> </ul>  |
| 2007    | <ul style="list-style-type: none"> <li>• A new ministerial decree provided for further restrictive regulations for establishing a degree course.</li> <li>• The National Agency for evaluation and accreditation of higher education was established.</li> </ul>  |
| 2008    | <ul style="list-style-type: none"> <li>• The budgetary law was amended to cut public funding to universities, particularly through a cap on turnover. Public funding was reduced by 20% between 2009 and 2014.</li> </ul>   |
| 2010    | <ul style="list-style-type: none"> <li>• A new law reformed the institutional governance of universities with the aim of encouraging 'corporate' behaviour and increasing their institutional accountability. The main changes provided for by this law were as follows: <ul style="list-style-type: none"> <li>– Strengthening the role of the boards with respect to the senates and the role of the rector, who is still elected by the university community;</li> <li>– Abolishing faculties, with departments provided with all of the most important powers regarding academic and teaching affairs;</li> <li>– Creating a national system of university accreditation, evaluation and self-evaluation;</li> <li>– Establishing strong financial provisions regulating the recruitment and promotion of university lecturers and professors;</li> <li>– Establishing the structure of an academic career composed of a tenure track assistant professor position and associate and full professor positions as previously, there were three tenure positions;</li> <li>– Establishing a national system to obtain the scientific qualifications necessary to apply to the institutional calls for associate and full professor.</li> </ul> </li> <li>• A new salary system for academics based on periodic (i.e. every 3 years and, from 2020 onwards, every 2 years) disbursement to be implemented autonomously by universities.</li> </ul> |
| 2011    | <ul style="list-style-type: none"> <li>• First round of the National Assessment of Research (2004–2010).</li> </ul>   |
| 2013    | <ul style="list-style-type: none"> <li>• A new law established that public funding (up to 30% in the next few years) would be assigned through a competitive mechanism based all on the quality of research and recruitment. Furthermore, over the next few years, the remaining 70% of public funding will be allocated on the basis of standard costs per student.</li> </ul>   |
| 2016    | <ul style="list-style-type: none"> <li>• Second round of the National Assessment of Research (2011–2014).</li> </ul>  |
| 2017    | <ul style="list-style-type: none"> <li>• Selection of the best 180 departments to which 271 million of Euro have been distributed for the period 2017–2022.</li> </ul>  |
| 2019    | <ul style="list-style-type: none"> <li>• Third round of National Assessment of research (2015–2019).</li> </ul>   |

- It has been slow in developing the new governance mode and has done so in an incoherent manner. Too often, regulation has been contradictory (i.e. strong procedural regulation—unclear goals, ambiguous voluntary compliance—or strong regulation without any real warnings or sanctions for misconduct). There has never been any package design besides bricolage or layering. For example, the law reforming institutional governance is written in an ambiguous manner (i.e., universities have been given considerable room to design their own forms of internal governance), and thus universities have had the chance to design institutional governance in a way that does not guarantee any greater institutional accountability (Moscati, 2014). Very often, new instruments layered onto the existing governance mode create tensions that require further governmental intervention.
- It has never truly specified its systemic targets in either teaching or research, with public documents speaking merely of ‘improving’. This lack of clear national policy goals leaves the systemic results in the hands of the universities.
- It has displayed, in some cases, a considerable instrumental capacity to formulate genuine policy design; however, it has performed very poorly from the technical point of view. None of the most important design decisions have been made on the basis of real, sufficient evidence-based knowledge. The main approach adopted in the formulation of the new policy intervention is the typical one adopted by the Italian governments: a select few people, appointed by the minister in question, work with certain senior ministerial bureaucrats on the preparation of a first draft, which is then shared with an expert and discussed with the parties’ representatives (and with the Italian Conference of Rectors). In the case of laws, the parliamentary stage of formulation has been characterised by the government’s need to address the customary splits within the parliamentary coalition. This process has never changed; thus, from a design perspective, little has been learnt over the last 30 years.
- Reform laws and rules have been written in an ambiguous way or have left significant room for universities to interpret them. In Italy, it seems that the traditional lessons of the top-down implementation school are still being heeded today; effective policy design must structure implementation so as to enhance compliance by the implementers (Pressman & Wildavsky, 1973; Sabatier & Mazmanian, 1981).
- There has not been a clear political choice with respect to the characteristics of the system and, above all, in terms of the differentiation of Italian higher education. This lack of political vision and guidelines allows every university of the country to decide what to be independent from its real resources and related socio-economic context.

Furthermore, it has to be emphasised that the adopted instruments have been incapable of developing complementarities and thus very often have clashed with each other. Subsequently, the chosen reforms have become ineffective, thus obliging Italian governments to intervene again and again.

Thus, what emerges is that the actual governance arrangements in Italian higher education are characterised by merging different policy tools in a very incoherent way. All in all, there has not been a clear political choice with respect to what the system should do and how it should do it. Substantially, there has also not been a clear political choice about the way of working in the higher education system as well as respect for its social and economic mission.

A first clear example of this ambiguity is found in the emphasis of the financial incentives and of the evaluation of research while maintaining the attitude of bureaucratic regulation. As mentioned above, Italy is one of the countries in which the financial impact of the public funding of the periodic national research assessment is higher; additionally, it is one of the few countries in which there has been an assignment of extra money to university departments on a meritocratic basis. This adoption of performance-based funding is characterised as having been introduced like it was a neutral instrument capable of inducing systemic better performance. There has not been a clear political strategy through which systemic goals have been established to be reached. The main idea was that evaluation *per se* should have contributed to improving the system. Thus, while a policy tool such as evaluation should be a means to reach policy goals according to political preferences (i.e. as a means with which to steer a policy), the adoption of this tool of evaluation in the Italian case has represented a way through which the policy tools themselves have been attributed the role of ruler. The consequence has been, for example, that there has been a structural push to the already existing delineation among universities in a context in which historically universities based in Centre-Northern Italy were in better organisational and financial conditions than those based in Southern Italy (Viesti, 2016; Fadda et al., 2021).

A second relevant example concerns the lack of serious attention to the fact that to make the steering at a distance model function, student mobility should be increased to create the conditions for a real academic market. Regarding student mobility, it is well known that the Italian higher education system has never invested enough money in grants for students. Due to the fact that this allocation is a region-specific task, significant differences exist among Northern and remaining Italian regions; in particular, there have been less financial opportunities for students in Southern regions. As to the academic market, it cannot be understated how, in the last 20 years, academic mobility has been minimal because the current rules of the game do not favour it at all (Seeber & Mampaey, 2021). This indicates that reforms approved in 2010 did work to change the long-lasting localism of academic recruitment. In fact, the new system introduced by that reform has established a national research qualification procedure, *Abilitazione Scientifica Nazionale* (ASN), to impose minimum standards for potential candidates applying for local competitions; thus limiting the traditional discretion of committees and universities. However, this new system did not change the prevalence of localistic interests or the asymmetric chances of being promoted. At the systemic level, 83% of the competitions for associate or full professor posts have been won by scholars belonging to the institutions that launched the calls. In sum, the new system works mostly to promote internal candidates (Abramo & D'Angelo, 2020). The way the



current career and recruitment system represents a structural constraint to the full potential of universities to act strategically in terms of searching for the human resources they would need to pursue innovation in their missions.

It appears that the new systemic governance is problematic in terms of outcomes. Furthermore, it has to be observed that while various attempts at re-regulating the system have been adopted over time, especially in terms of procedural regulation, the strengthening of institutional governance (i.e. the other pillar of the steering at a distance model) has not been significantly reached. This can be seen, for example, in the way in which universities have implemented the power to decide whether or not to attribute to their professors the periodic increase of salary; in fact, in all the universities, the adopted rules for this are not demanding.

This way of designing and implementing the reforms of governance arrangements of higher education has produced contradictory dynamics and results. Generally speaking, the actual situation is characterised by a significant conflict on the role of evaluation, by a recurrent attempt of the centre of the system to regulate the behaviour of institutions in terms of procedures, while the institution can enjoy relatively high autonomy in complying with these attempts at re-centralisation. In sum, it is evident that the adopted variant of the steering at the distance model has not been capable of massively overcoming the past legacies characterised by a significant bureaucratic role of the centre of the system and by a low capacity of universities to behave as corporate organisations. Thus, the impact of these reforms on the main dimensions of universities' performance in Italy (e.g. teaching, research, third mission) is still very problematic in terms of effectiveness.

## **7 The Gordian Knots of Systemic Governance in Italian Higher Education and the National Plan of Recovery and Resilience**

The governance of the Italian university system has undergone a significant redesign of its arrangements both at the national and at the institutional level; however, the final results do not look very satisfactory. Universities have more autonomy now while, at the same time the centre of the system is not very demanding in terms of accountability of local choices and results. Evaluation is pervasive but ineffective in terms of pushing universities towards strategic choices; some rules, especially those regarding academic recruitment and career, clearly represent constraints in terms of institutional strategic capacity. It should be noted that these rules are welcome inside universities because they increase the expectations of internal promotion.

The system's current governance arrangements and ways of working will be challenged by two new events: the proposed increase of the public funding in the years 2022, 2023, 2024 (more than the 20%) and the investment of more than 5 billion Euros due to the National Plan of Recovery and Resilience that, as noted in the introduction of this book, is firmly committed to resolving the problem of

access to higher education, increasing the systemic amount of applied research and partnering with universities and actors in the economic system to increase the offer of vocational degrees. This plan can be considered the first real and ambitious attempt to shift the Italian university system from a traditional way of working towards structural integration to better serve the national needs of socio-cultural and economic development (Capano & Regini, 2021). However, the success of this plan, as well as the efficient and effective investment of the new public funding, is linked not only to external variables (e.g. the governance capacity that the Italian government will show in managing the implementation of the NPRR and the pressure of the EU level) but also by the characteristics of the governance arrangement of the higher education system. Thus, it is necessary to rethink how this governance system works and eventually consider the opportunity to take those choices that have been postponed or excluded by the decisional agenda regarding, for example, the issue of the institutional differentiation of universities (Capano et al., 2016). Furthermore, there is the problem of determining whether most universities are truly capable of becoming strategic actors (as theoretically imposed by the logic of the NPRR and by the global competition in higher education). Apparently, modern institutional governance does not differ much from its past; thus it is prone to distributive and democratic-corporatist logics of actions. This problem cannot be dealt with only by assuming that strong action at the centre of the system will result in due peripheral, ripple-effect reactions. To increase the chances of the best implementation of the NPRR and to ensure the efficient use of the new financial sources, significant intervention regarding a clear political decision with respect to institutional profiling, new rules and incentives to design a real academic market and a significant restyling of the arrangements of institutional governance are necessary.

These changes are necessary not only to properly evaluate and assess universities but also to unlock the potential of evaluative tools (that is masterfully shown in the chapters of this book) to assist decision-makers towards improving the overall performance of the university system and all its fundamental missions.

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