

Policy Brief

Policy processes shaping the Norwegian Structural Reform

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In April 2015 the Norwegian government launched a large-scale re-organisation of the Norwegian higher education landscape. The Structural Reform is not a standalone policy process, but has clear connections to previous policy initiatives such as the so-called SAK and SAKS initiatives, the 2008 report of the Stjernø committee, the 2003 Quality Reform which opened up the possibility for university colleges to apply for university status, as well as the 1994 large-scale mergers of non-university higher education institutions. As result, the Structural Reform can be described as a maturing of mergers as policy solution.

Main findings

The current reform has certain tensions between the stated reform goals. The 2015 White Paper launching the reform lists six reform goals, yet quality of higher education is seen as the key reform rationale. This reform goal seems the underlying driver of many higher education reforms. However, a key characteristic of the 2015 Structural Reform is not the basic policy solution per se, but rather how this solution was put forward and the extent to which the higher education institutions involved were included in shaping the specificities of the merger processes in which they were involved.

Furthermore, other processes, in higher education specifically or the public sector generally, were relevant for the merger processes following the Structural Reform. Most notably, the new expanded requirements concerning education for the nursing and teaching professions. To be able to keep these study programmes, a number of institutions had to merge. Another concurrent development concerns the piloting of performance agreements. However, similar developments in other parts of the public

sector – e.g. mergers of municipalities and hospitals – are not seen as strongly related to the 2015 Structural Reform in higher education.

The process of formulating the reform goals as well as reform instruments can be described as a process of dialogue, albeit asymmetric. While the government kicked off the process by communicating the idea that the future HE landscape will consist of fewer institutions, it also provided higher education institutions the opportunity to determine the specific means they preferred to achieving that end. This asymmetry is threefold: the government set the overall framework for the dialogue, the dialogue was primarily with the individual higher education institutions, with other actors being less involved, and during this process the government controlled the policy instruments that could be applied as means of persuasion as needed. When it comes to other actors – specifically stakeholder organizations – their engagement in the discussion rounds was far less pronounced.

Introduction

In April 2015 the Norwegian government launched a large-scale re-organisation of the Norwegian higher education landscape. The 'Concentration for Quality' White Paper (Kunnskapsdepartementet, 2014-2015) identified the following policy goals:

- High quality of education and research
- Robust academic environments performing at a high international level
- Good access to education and expertise throughout the country
- Contribution to regional development
- Effective use of resources.

A higher education system with "fewer, but stronger institutions" (Kunnskapsdepartementet, 2014-2015, p. 3) was clearly envisaged, and several mergers between specific higher education institutions were launched. The Reform as a whole was presented as reflecting the strategic importance of knowledge in the government's overall policy aiming at improving Norway's competitiveness and innovation potential, and the necessity to address big societal challenges (see p.10 of the White Paper).

In this brief we report on characteristics of the policy formation process: How were the policy objectives associated with reform generated, formulated and interpreted? Which actors were central in the process? What implications for the institutional merger processes can be identified?

The policy brief is part of the Re-Structure Project, a research-based evaluation of the Structural Reform started, coordinated by NIFU and funded by the Norwegian Research Council. The project includes researchers from University of Bergen, Ghent University, KTH and Aarhus University. The project is based on analysis of policy development, in-depth case studies of institutional mergers, as well as analysis of outcomes concerning system and institutional level performance.

Data and method

The empirical basis for this policy brief is 23 semi-structured interviews conducted from November 2019 to October 2020. Representatives from the government (specifically Kunnskapsdepartementet), leaders of merged higher education institutions, as well as other relevant policy actors, such as the association of Norwegian higher education institutions (UHR), national student union (NSO), trade unions of academic

and administrative staff (LO and FF), agency for quality assurance (NOKUT) and employers' association (NHO) were interviewed. The interviews focused on their views concerning various aspects of the reform, linkages between this policy reform and previous policies in higher education, identification of policy problems and envisaged solutions, ambiguity of and coherence between policy goals, and the overall approach to policy development. In the brief, we will particularly highlight similarities and differences between three groups of respondents: government, leadership of merged institutions, and other stakeholder organizations.

Tensions between stated goals of the reform

Respondents perceive the reform goals as stated in the 2015 White Paper to be somewhat ambiguous. While recognizing that these goals are perhaps easier to measure than the underlying goal of quality, in particular respondents from the higher education institutions express uncertainty with regards to the expected timeline for achievement and the indicators that will be used for measuring reform success.

In addition, when discussing the relationship between the different reform goals, some respondents do recognize that there may be contradictions, e.g. between having robust academic environments performing at a high academic level and ensuring access to higher education and expertise throughout the country. At the same time, these respondents also indicate that if the achievement of the reform goals is assessed for the system as a whole and not for each individual institution, then these seemingly inherent contradictions between reform goals are not problematic.

Continuity of process

The analysis shows that there are clear linkages between the 2015 Structural Reform and previous policy initiatives. This includes the so-called SAK and SAKS initiatives that preceded this reform. Specifically, the 2012 SAK (*Samarbeid, Arbeidsdeling og Konsentrasjon*) initiative focused on facilitating cooperation, division of labour and concentration of academic capacity, while the possibility of mergers (*sammenslåing*) was added with the SAKS initiative.

In addition, there is a clear line between the current Structural Reform and developments further in the past. This is particularly the case when it comes to the 2008 report of the Stjernø committee that argued, comparatively speaking, for a more comprehensive merger process drastically reducing the number of

higher education institutions. Although the Stjernø report and particularly its proposal for the way forward was not well received by most policy actors back in 2008, its diagnosis of a too fragmented higher education system with several vulnerable institutions was widely shared. However, the proposed cure was met with fierce resistance. It seems that the idea that fewer and larger higher education institutions would be beneficial to the quality of higher education – which was the essence of the Stjernø report – has matured over time and gained support as more and more actors found it appropriate and desirable (see below).

Furthermore, several actors also indicated that there were important linkages back to the 2003 Quality Reform which opened the possibility for university colleges to apply for university status, as well as the 1994 large-scale mergers of non-university higher education institutions.

Overall, these policy linkages to past reforms – from the most recent SAKS initiative back to the 1994 reforms – were the reason why some of the respondents emphasised that the 2015 Structural Reform should be considered as part of a longer more encompassing process of structural change in Norwegian higher education.

Continuity of goals

The linkages between the 2015 Structural Reform and the previous reform initiatives were particularly evident in the respondents' perceptions of the reform goals and their attitudes towards mergers as a policy solution.

In that respect, it is interesting to note that although the 2015 White Paper lists six reform goals, respondents from all three groups indicated one of the goals, quality of higher education, as the key reform rationale. Some respondents indicated that the six goals were put forward because it might be easier to assess the extent to which the additional goals were achieved, as quality is a rather ambiguous concept that is difficult to measure as such. Moreover, the focus on strengthening quality is seen as the underlying driver of many higher education reforms, obviously including the 2003 Quality Reform, but also other major reform initiatives preceding the Structural Reform.

In addition, due to the strong linkages with the SAK and SAKS initiatives, some respondents also refer to sharper profiling of higher education institutions as a goal of the Structural Reform. This is particularly interesting, given that many of the mergers, both those unfolding in the framework of the 2015 reform and those

that took place earlier, have resulted in academic drift (as evidenced by new institutions requesting university status) and, in the view of some of the respondents, have not yet delivered when it comes to profiling of institutions. Academic drift has been an ongoing process since the 1970s, since the introduction of district colleges in 1969, with an increasing number of regional, later state colleges, have sought university status in various ways. Various reform efforts have tried to resist, control or regulate academic drift. The new institutions have not had a clear wish to become like University of Oslo or University of Bergen.

Maturing of mergers as a policy solution

As indicated earlier, the idea of mergers is not new. Many higher education institutions in Norway are a result of mergers that (long) predate the 2015 Structural Reform, in particular since the 1994 reform of the university college sector (see above). In addition, some more recent mergers – e.g. the one that resulted in OsloMet – seemed to have contributed to the gradually growing acceptance of institutional mergers as a policy option. Many respondents described this process in terms of maturation of a policy solution. It was also pointed out that the NTNU decision to merge with other smaller institutions had had a snowball effect. That said, some respondents representing the various stakeholders question the idea that mergers are indeed the adequate solution for either the overarching aim of quality improvement or the other goals of the 2015 Structural Reform.

In this respect, the way in which respondents referred to the Stjernø report were particularly illustrative. On the one hand, most respondents from all three groups recall that the general reaction across the sector to the proposals of the Stjernø report was quite negative. They reiterate that while there may have been agreement with the report's diagnosis of the challenges – a HE system with too many institutions is too fragmented to ensure necessary quality of teaching and research, there was far less support for the proposed cure – a radical decrease in number of higher education institutions with clear indications which institutions will remain. On the other hand, the respondents recognized that the 2015 Structural Reform essentially has the same objective – fewer, but stronger institutions" (Kunnskapsdepartementet, 2014-2015, p. 3). Furthermore, the key difference between the Stjernø proposal and the 2015 Structural Reform is not the basic solution per se, but rather how this solution was put forward and the extent to which the higher edu-

cation institutions involved were included in shaping the specificities of the merger processes in which they were involved.

In addition, while recognising that there very few discussions on alternative solutions to the overarching issue of quality or to the specific goals of the Structural Reform, some respondents did highlight the importance of SAK and SAKS initiatives for the apparently wide acceptance of mergers as a policy solution. Specifically, they stress that the softer approach to motivate cooperation through SAK and SAKS initiatives did not lead to the more profound reconsiderations of the higher education landscape and that a clearer focus on mergers was justified.

Concurrent developments and their contribution to the decisions to merge

The Structural Reform was not the only change process in higher education in the second half of the 2010s. Other processes, in higher education specifically or the public sector generally, were viewed (in particular by respondents from higher education institutions) as relevant for the merger processes. This primarily concerns the new (expanded) requirements concerning education for the nursing and teaching professions, and the fact that, in order to be able to keep these study programmes, a number of institutions had to merge. Another concurrent development concerns the piloting of performance agreements. Some of the respondents from higher education institutions and stakeholder organizations considered them to be founded on the same underlying 'philosophy' of tighter and more outcome focused steering of the sector. Somewhat surprisingly, similar developments in other parts of the public sector – e.g. mergers of municipalities and hospitals – are not seen as strongly related to the 2015 Structural Reform in higher education.

Asymmetric dialogue between the government and institutional leadership

The government kicked off the reform in January 2014 by informing the institutions about the upcoming White Paper. In May 2014 it presented an "analysis of the challenges in the sector" (Kunnskapsdepartementet, 2014-2015, p. 14), when it invited the institutions to consider their position in a future higher education landscape with fewer institutions. In September, the government engaged in intensive discussion rounds

with the various actors in particular leadership of higher education institutions, and this was seen as a very important part of the process by all three groups of respondents.

So, while the government kicked off the process by communicating the idea that the future HE landscape will consist of fewer institutions, it also provided higher education institutions with the opportunity to determine the specific means they preferred to achieving that end. As indicated earlier, one of the points of departure was the 2008 Stjernø report, both when it comes to the widely agreed upon diagnosis of the situation – fragmentation is not conducive to quality, and when it comes to a more generalized version of its recommendation – decreasing the number of institutions. This is also clearly reiterated in the 2015 White Paper (p. 14), so the work of the Stjernø committee was an important basis for the Structural Reform in general and the White Paper in particular. That said, the government clearly opted for a more open approach to decreasing the number of institutions, not going "the Stjernø way" that presented a clear central government prescription as to which institutions should remain, but rather giving the institutions themselves the opportunity to decide with whom to merge.

Therefore, the process of formulating the reform goals as well as reform instruments can be described as a process of dialogue, albeit asymmetric. This asymmetry is threefold: (1) the government set the overall framework for the dialogue, (2) the dialogue was primarily with the individual higher education institutions, with other actors being less involved, and (3) during this process the government controlled the policy instruments that could be applied as means of persuasion as needed.

Stakeholder organizations less involved

When it comes to other actors – specifically stakeholder organizations – their engagement in the discussion rounds was far less pronounced. This includes the collective representative of the higher education institutions (UHR). Although UHR did play a facilitating role by providing a communication platform for the government representatives and institutional leadership, it was not a prominent actor itself. Possible reasons could be attributed to the heterogeneity of its members and, consequently, heterogeneity of member interests with regards to structural reform. In particular, UHR key members – the University of Oslo and University of Bergen – seemed not to be very concerned with the

reform, possibly because they themselves were not implicated nor were planning to engage in any of the mergers.

As for other actors, the NSO formulated and submitted explicit policy responses to the initial discussion and the 2015 White Paper but was not itself engaged in all of the discussions prior to the launch of the White Paper. That said, NSO members – student parliaments of some of the merging institutions – reportedly made a significant contribution to the decisions to go forward with the mergers. One of the largest academic staff trade unions (FF) admittedly played a rather limited role, because of heterogeneity of its members and, consequently, heterogeneity of member interests.

Not entirely voluntary mergers?

One of the interesting themes in the interviews conducted concerned the extent to which mergers were indeed voluntary. On the one hand, the 2015 White Paper referred explicitly to several possible mergers, but not all of these envisaged mergers took place as specified. For example, the university college in Stord/Haugesund finally merged with the university colleges in Bergen and Sogn & Fjordane, and not with the University of Stavanger as suggested in the White Paper. This implies that the decision with whom to merge was essentially voluntary.

On the other hand, some of the respondents from higher education institutions and stakeholders indicate that it is difficult to see the process as entirely voluntary for a number of reasons. First, the government kicked off the discussions in 2014 with a clear message – the Norwegian higher education landscape will consist of a smaller number of institutions in the future. This was set as an end everyone should be working towards, so the consultations essentially focused on means to achieve this end. Moreover, the discussion about means was not entirely open either, given that mergers matured as a policy solution and that there have been several recent merger processes that got quite a lot of attention and were generally deemed to be successes. Furthermore, announcements of specific merger plans by more prominent higher education institutions – such as NTNU – had a snowball effect, motivating other institutions to consider doing the same in order to improve their own positions in the future landscape. In addition, the NTNU acquisition of two smaller institutions affected the merger options of other institutions. Finally, as indicated earlier, new / stricter requirements for professional education meant that, in order not to have to close down some of the

study programmes, some institutions had to pool and concentrate resources via a merger.

Implications for the institutional merger processes

The policy process that resulted in the 2015 White Paper that launched the Structural Reform had a number of implications for the actual merger processes taking place.

The first concerns the temporal dynamics of the different mergers. The historical continuity of reform processes, goals and the maturing of policy solution across time, means that the idea of mergers in general, and some planned mergers in particular did not come ‘out of the blue’ and were, in some cases, actually preceding the launch of the White Paper in 2015, as well the round of consultations with the government in 2014. In other words, when the reform was launched, some of the institutions may already have been ahead with merger plans, while others may have just begun to consider whether to merge in the first place.

Second, and in particular for those institutions that may have started the merger considerations before (the formal launch of) the reform, the above mentioned continuities may also have made the mergers more acceptable and inspired a feeling of ownership of the merger processes, primarily within the leadership, but potentially also among some of the academic and administrative staff on the shop-floor. The latter, of course, also depends on what kind of internal processes supported and accompanied the merger decision.

Third, the part of the dialogue that was open – who will merge with whom and in what way – seems to have resulted in quite a significant diversity of combinations and approaches. Combined with the differences in starting points, one can expect to see rather different merger processes, experiences and perceptions of success and failure. It will be interesting to see whether this diversity translates in some way, if any, into diversity of performance outcomes. Both of these aspects are part of the Re-Structure project, through in-depth case studies of six merger processes, a large-scale survey of staff and a carefully designed analysis of various performance indicators.

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