Decision Making on Decision Making

Deciding Governance in Higher Education in Serbia 2002-2005

Jelena Branković

Faculty of Education

UNIVERSITY OF OSLO

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Abstract

This study analyses the decision making process which lies behind the drafting of the current legal framework regulating higher education system-level and institutional-level governance in Serbia. The research places particular focus on the relationship between the main actors in the process, namely the state, the academic community and the students, and looks into the logic of their actions, while also exploring the external factors which affected the decision making. The fundamental assumption underpinning this endeavour is that the analysis of the decision making process in question would offer an understanding of the rationale behind the governance changes, as well as provide an insight into factors affecting the decision making and consequently the output of the process as regards governance. The Institution Analysis and Development Framework has been employed as the prime analytical tool, while the research technique comprises of in-depth interviews with representatives of the main players and documentary analysis.

The analysis draws several key conclusions. First, the process of deciding the latest governance transformations in Serbian higher education was to a greater extent affected by the dynamics of actors' interaction and preferences, than by supra-national trends which they resemble when given a surface look. Second, the decision making triggered the power redistribution in the higher education system in a way that it mirrored the power distribution pattern inside decision arenas. Third, institutional autonomy and resource dependence were not only in the heart of the debate, but also the key driving forces of the decision making on governance arrangements in Serbian higher education.

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Contents

List of abbreviations

AAEN   Alternative Academic Educational Network

BSA   Belgrade Student Association

CAQA   Commission for Accreditation and Quality Assurance

HE   higher education

HEI   higher education institution

HEIs   higher education institutions

IAD   Institutional Analysis and Development

LoHE   Law on Higher Education

LoU   Law on University

MoES   Ministry of Education and Sports

NCHE   National Council for Higher Education

NCDUE   National Council for the Development of University Education

NPM   New Public Management

SFRY   Socialist Federal Republic of Yugoslavia

SUS   Student Union of Serbia

UniB   University of Belgrade

UniKG   University of Kragujevac

UniNI   University of Niš

UniNS   University of Novi Sad

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1 Investigating decision making on the higher education governance in Serbia

1.1   Introduction

Governance of higher education (HE) across Europe, particularly in its Western parts, is noted to be undergoing changes in recent years (de Boer, Enders, and Schimank, 2007). These changes are believed to be tightly linked with the changing relationship between higher education and the state, in which the state is seen as moving away from its controlling role to a more supervisory or facilitatory role (Maassen and van Vught, 1994), based on the belief that "supervising role of the state would lead to a better performance of higher education than a controlling role" (Maassen, 2009:99). This so-called "shift from government to governance" is linked to the notion that the traditional form of system coordination in which the government is the sole responsible for steering has been replaced by a form in which various actors at various levels take part in governance. In a similar fashion, higher education institutions (HEIs) are given more autonomy to run their own affairs under an implicit assumption that more autonomy would enable them to be more responsive to society, as well as to the state itself. Although the nature and the extent of either substantive or procedural autonomy HEIs enjoy may vary across countries, it is argued that the autonomy of HEIs has increased in recent years, which has been further facilitated by less prescriptive legal frameworks defining HE in a country (CHEPS, 2006).

A surface look on the latest legal framework for HE in Serbia, 2005 Law on Higher Education (LoHE), if put against previous legal frameworks, shows movements in similar directions as regards both system-level and institutional-level governance arrangements. Without going into the discussion at this point on whether Serbian decision makers on governance arrangements had or did not have the intention to adopt any idea coming from a western European country, a deeper look at the current legal provision reveals not only certain inconsistencies with the underlying idea of the abovementioned governance changes found

with some other European countries, but also some peculiarities with respect to the redistribution of authority in the system and the dynamics in the relationships among key actors. This study discusses and further explores this phenomenon. Lastly, as the same legal framework which was passed in 2005 is in force today, this analysis refers also to the present-day circumstances as regards governance arrangements.

March (1994:vii) suggests that understanding any decision requires a great deal of "contextual knowledge – details about historical, social, political and economic worlds surrounding the decision and about the individuals, organizations, and institutions involved". It is due to this reason in particular that these contextual factors are given attention in this study.

1.2 The state and higher education in Serbia: a historical overview

In order to set the stage for the study of the decision making herewith analysed, the system of HE in Serbia is first introduced by giving an outline of the developments since World War II, with a particular focus on the relationship between the state and higher education, as this is assumed to be of key relevance to the study of governance.

After World War II, Yugoslavia became a socialist federal republic, basing its political and economic development on the Soviet model of the time, even though the political ties between the two countries soon became loosened. The main purpose of higher education at the time was seen as "to provide people with general background knowledge of their culture, essential professional skills, readiness for successful social life and world citizenship" (Mandić, 1992). The 1960s were marked by a massification of the tertiary sector, accompanied by founding two public universities in Serbia, the University of Novi Sad (1960) and the University of Niš (1965), alongside the already existing University of Belgrade. Following this trend and in response to the demand, the University of Priština and Kragujevac were founded in 1971 and 1976, respectively[1]. This period was followed by a period of stagnation in enrolments which lasted until the 1990s.

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[1] The universities founded in other Yugoslav republics are deliberately not mentioned, as they are beyond the scope of this study.

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During 1950s, Yugoslavia started the process of decentralisation and liberalisation of its political and economic system, becoming soon the most decentralised of all socialist countries (Fisher and Gelb, 1991). Universities, being public entities themselves, were also subject to this policy, which lead to the introduction of the self-management system in all universities, by then divided into independent legal entities – faculties. From that point on, the faculties, not the universities as wholes were the main organisational units (Turajlić, 2004). Until the end of 1980s, the university remained a loose network of faculties, in which one had little concern with the affairs of the others (ibid).

Still, these faculties were very much controlled by the state, which externally determined various aspects of institutions' internal affairs, be those related to governance, curriculum or enrolment (Turajlić, 2004). Yet, during this time, Turajlić noted, faculties showed little resistance to this, while the role of the university level was nothing more than administrative supervision, making the university a loose network of independent and distant faculties which were trying to balance between the externally imposed rules and internal preferences. In other words, the state control was more directed to faculty than to the university level. Clark (1983:45) found this state of affairs ironic, as "the minimal interdependence of units within a university comes not from age-old doctrines and practices of the medieval collegium carried into the modern period, but from one of the latest and most noted socialist experiments".

The 1980s brought growing political and economic instability of the federation, leading to the dissolution of the Socialist Federal Republic of Yugoslavia (SFRY) in 1991. In the HE sector, the end of the decade brought a new wave of massification, as the funding of HEIs was now linked to student enrolments (Turajlić, 2004). The more populated faculties, inadequate enrolment policy and other encountered obstacles to the functioning of HEIs created growing dissatisfaction among the institutions. This dissatisfaction, together with the dissatisfaction with the politics of the state, appeared to have brought faculties closer to each other, in particular those which were noted for their disciplinary proximity, such as technical sciences, for instance (ibid).

The years between 1991 and the turn of the 21st century for Serbia meant a decade of wars, sanctions, severe economic crisis, major social and political turmoil, all leading to general political, economic and social instability which marked the decade. All these were wrapped up in a veil of authoritarianism or arguably totalitarianism of the country's political leaders. During this period virtually each component of the system was affected by these conditions,

higher education included. Apart from having a severe impact on the functioning of the HE system, this period was also marked by some distortions in the relationship between the state and HEIs. Having assumed a more active role in the social life of the country, HEIs showed disagreement with the state politics in a more open way (through protests and demonstrations), which resulted in passing a new legal act on HE in 1992 which gave less autonomy and freedom the university than it had been initially envisaged (ME1, 2010). Although the University Law (LoU) from 1992 was considerably different and likely more progressive than its predecessor from 1990, it was considered far from guaranteeing autonomy to faculties. However, as the state did not achieve to make the university more passive, it enforced another legal framework in 1998, which was far more repressive one than its predecessor (Turajlić, 2004).

After a decade of political, economic and social isolation, in 2000, the regime was overthrown and a new government was in place. Economic recovery and political stability became major aims of the newly elected democratic government, while the ambition to join the European Union became one of the main items on the government's political agenda. The Government was announcing major reforms in all fields, including higher education, which was to a great extent shared by some of the academic community and students (ME2, 2010; NS1, 2010; ST1, 2010). In 2003, the Minister of education signed the Bologna Declaration[2], by which Serbia joined the rest of Europe in creating the common HE space. Nevertheless, as the 1998 LoU was considered too repressive to be kept in force, a temporary solution was sought until a more permanent legal framework was developed. It was under this rationale that the 2002 University Law was passed, which to a great extent resembled the 1992 law. Hence, the legal framework of 2002 is the starting point of our study, as this one was in force when the decision making process which is in the focus of this study took place.

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[2] Bologna Declaration is an intergovernmental agreement signed in 1999 by 29 European ministers responsible for higher education. This act initiated the Bologna process, aiming at creating the European Higher Education Area. Currently, 47 countries are signatory to the Declaration and have committed themselves to converging their HE systems to the so-called Bologna action lines. More at: http://www.ond.vlaanderen.be/hogeronderwijs/Bologna/, retrieved on April, 23 2007.

1.3   Towards "modern" higher education

Upon its appointment in 2001, the Ministry of Education and Sports (MoES) defined its mission as regards higher education as: "establishment of modern higher education system in accordance with the Bologna process" (MoES, 2003a:1). In order to facilitate this mission, the Ministry recognised the need to introduce changes in governance, at both system and institutional levels.

In a nutshell, the decision making process had the following path. In 2002, in order to create legal conditions for HE reforms, the National Council for the Development of University Education (NCDUE) put in place a working group with the task to create a concept for the future legal framework for HE, which would also facilitate the reform agenda in line with the Bologna process. The representatives of the academic community and those of the students participated in the process, together with the state representatives. At the end of summer 2003, after the working group completed its work, the Ministry drafted the Law on HE. However, as certain academic circles, most notably at the University of Belgrade (BG1, 2010; BG2, 2010; BG3, 2010; MA1, 2010), were dissatisfied with the draft and disregarded it as violating university autonomy, the Ministry's text was now taken to be revised and amended by a new working group, this time appointed by the Council of the University of Belgrade.

In the meantime, due to a political crisis triggered by the assassination of the prime minister, new elections took place, followed by the change in the political party in charge of higher education. This further resulted in changes in the Government's position towards HE and consequently the ministry's work on the new law on HE. As the previous ministry's draft was not passed, the work on it continued throughout 2003 and 2004, mostly within academic circles and without much interference from the Government. In the fall of 2004, the Ministry officially invited the University of Belgrade, other universities and student representatives to finalise the draft.

In 2005, the Law on Higher Education was adopted by the Government and later passed by the National Assembly, which created the legal conditions for HE reforms and also changes in governance, soon to be followed by the first steps of the implementation process. In this respect, the period under study is 2002 – 2005.

1.4   Research problem

This thesis goes inside the process of drafting the 2005 LoHE and looks into the decision making process of its creation which made way for the changes in external (system) and internal (institutional) governance arrangements, as well as into a wider context in which the decision making took place. The study places particular focus on the relationship between the chief actors in the process, namely *the state*, *the academic community* and *the students*, and looks into the logic of their actions in the decision process. The underlying assumption of this endeavour is that the analysis of the decision making process in question would offer an understanding of the rationale behind the governance changes, as well as provide with an insight on factors affecting the decision making and consequently the output of the process as regards governance. In a nutshell, the aim of the research is to analyse the decision making process with respect to the latest transformations of Serbian higher education governance, identify factors affecting the process and interpret its output (Figure 1.1).
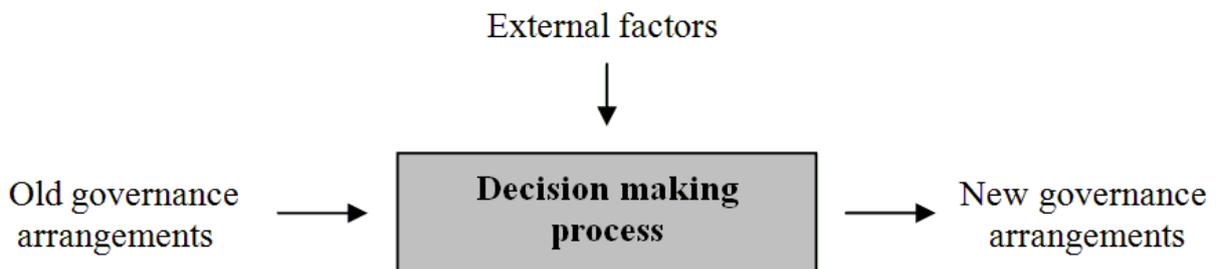
Figure 1.1 The research problem simplified

Starting from the assumption that governance transformations can be better understood by analysing the decision making process in which they were created, the main research question is formulated as follows:

How can the latest higher education governance arrangements in Serbia be explained?

In order to address this question, the following sub-questions are put forward:

- *In what way can system-level decision making processes be described and analysed?*

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- *How did the decision making process on the external and internal governance arrangements in Serbian higher educating unfold after 2002?*

- *What have been the outcomes of the decision making process (the new governance arrangements) and how can they be interpreted?*

The main unit of analysis is the decision making process, which refers to the process of deciding on the external and internal governance arrangements in HE in Serbia, within the scope of drafting the 2005 Law on Higher Education, starting in 2002 and ending in 2005. This, however, does not include the decision making taking place at the level of institutions as regards governance, only the decision process related to drafting legal provision for HE at the state level. The thematic scope, however, covers governance at both system (sub-unit 1 of the analysis) and organisational level (sub-unit 2 of the analysis), where:

- **System-level governance** (or external governance) refers to the institutional arrangements on the system or macro level, as defined in legislation; while

- **Institutional governance** (or internal governance) refers to the institutional arrangements within a higher education institution (HEI), as defined in legislation.

In this study, both governance levels are viewed through the lens of the interplay between the main actors herewith identified: the state, the academic community and the students.

From the methodological point of view, this study addresses both macro and micro level phenomena, by the logic that both the decision making process (macro level) and those who participated in it (micro level) are the objects of the study.

The analysis is based on the *Institutional Analysis and Development (IAD) framework*, a multi-tier conceptual map drawing from the rational choice approach to institutional analysis. The IAD framework is complemented by the understanding of the individual given in *the bounded rationality approach*, which rests on the assumption that individuals are only "intendedly" rational, as their rationality is constrained by cognitive and other boundaries.

Semi-structured interviews and documentary analysis have been used as the data collection techniques, focusing on issues such as the decision making process, the participants in the process, their perceptions and mutual interaction, as well as the wider context in which the phenomena analysed took place.

1.5   Governance, higher education governance and current trends

The term governance has a variety of meanings (Rhodes, 1996; Stoker, 1998). According to Peters (2001:1), governance generally refers to "a vast array of institutions designed to exercise collective control and influence over the societies and economies for which they have been given responsibility". Governance can also be viewed as "a process through which collective interests are defined and pursued" and where "some degree of exchange between the state and society should be expected" (Peters and Pierre, 2004:78). The term governance is to be distinguished from the term government, as it does not necessarily need to be related to the state (Hewitt de Alcántara, 1998) and represents "a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed" (Rhodes, 1996:652).

Due to growing importance of the international environment, changes in the relationship between government and the private sector, and limitations of the state in its capacity to govern, as Peters and Pierre (1998:223) argue, "the idea that national governments are the major actors in public policy and that they are able to influence the economy and society through their actions now appears to be in doubt". Therefore, the national governance arrangements across Western democracies have underwent reform and consequently replaced by alternative models, which have been more or less permanent in their nature. However, although these reforms are largely identified in the Western part of the world, the elements of similar reforms can be found in the context of developing and transitional (i.a. post-communist) countries, such as those of Central and Eastern Europe (Peters, 2001).

These reforms, as Maassen (2003) argues, are driven both by ideological and pragmatic motives. While the pragmatic aspect is related to the growing limitations of the state to govern an increasingly complex society, the ideology story is arguably related to the rise of the new "managerialism" or New Public Management (NPM) philosophy, with which the emerging forms of governance share many features (Peters and Pierre, 1998). In a word, NPM refers to the influence of the private sector management mechanisms on the way public sector is organised and run, stressing the relevance of efficiency and effectiveness. This approach in reforming the public sector has been to a varying extent adopted not only by many

governments in coordinating HE in their countries, but also by HEIs across Europe (CHEPS, 2006).

With respect to HE governance, the trend refers to the general shift in governance arrangements from the traditional model in which the state is sole responsible for HE governing, system-level steering and planning, policy making and the coordination of the HE sector in a most general sense, to a new mode of governing that is different from the hierarchical control model and represents "a more cooperative mode where state and nonstate actors participate in mixed networks" (Enders, 2004:379). This shift is tightly linked to the notion that the state is transforming its traditional controlling role into a more supervisory role, while at the same time creating conditions for dynamic interaction of new structures and groups which operate at different levels of a HE system ("multi-level multi-actor governance"), from the local to the global (de Boer, Enders, and Schimank, 2007; Reed, Meek and Jones, 2002). However, this does not imply that the state as such is weakening, but rather transforming, and instead of surrendering to the challenges of a changing world, it is adapting to them (Enders, 2004; Maassen, 2003; van Vught, 1989).

In the context of the HE in Europe, the CHEPS consortium study (2006) of governance reforms across Europe shows that the emergence of multi-level and multi-actor governance is a Europe-wide trend, even though the actual landscape is fairly heterogeneous. The study also confirms the abovementioned tendency of the state to move away from its controlling role towards a more supervisory role, while placing more emphasis on competition and increasing attention to the efficiency and effectiveness of HE. This deregulation for HEIs means more autonomy accompanied by more accountability, based on the belief that by being more autonomous, HEIs will be more responsive to the needs of the society. Moreover, the concept of institutional autonomy can be related to the concept of self-regulation. Maassen and Stensaker (2003) argue that self-regulation and increased institutional autonomy do not necessarily have to be understood as steering strategies, but as "an end in itself" whose symbolic attractiveness often surpasses its rational ground. Yet these two concepts do not entail the same phenomenon. This is in particular visible in the Serbian HE, in which self-regulation, through the already existing self-management practice, has been present in the HE system since 1950s. However, in the same period HEIs enjoyed relatively low level of autonomy from the state authorities.

In the remainder of the chapter we turn to the latest transformations with respect to the HE governance arrangements in Serbia, introduced by the Law on HE in 2005, which were a result of the decision making process under study. Also several previous legal frameworks are observed, starting from the first Law on University passed after the dissolution of SFRY, due to the specific nature of affairs, described at the beginning of this chapter. Once the nature of transformations has been identified, we turn to the decision making process and look into the rationale of the transformations created within the decision making process.

In order to identify the changes in governance arrangements envisaged by the 2005 Law on HE, the following questions will be addressed in the next section with respect to the changes introduced by the 2005 Law on Higher Education:

- What is the nature of transformations with respect to the system-level/institutional governance structures?

- Which stakeholders can be identified in these structures?

- What is the composition and competences of these structures?

Finally, it is important to reiterate that the legal acts of individual HEIs, such as statutes, are beyond the domain of this study, as the decision making process under study is about the changes in the state-level legal framework. Therefore, external and internal governance are analysed only as they are given in the law, i.e. the supreme legal act on HE in Serbia.

In comparing the two legal frameworks, we consider a law prescriptive if a certain issue is regulated by it and not prescriptive if it is not. The extent of regulation of a particular matter is assumed to be linked with the level of autonomy of HEIs, meaning that if a legal framework does not prescribe how HEIs deal with a certain matter HEIs have autonomy in how the matter in question is dealt with, unless regulated by another legal act.

1.6 Transformations in higher education governance in Serbia

1.6.1 System-level transformations

From the dissolution of SFRY until 2005, the legal framework regulating HE in Serbia was changed three times, in 1992, 1998 and 2002. The Law on University from 2002 to a great extent resembled the University Law from 1992 (see Appendix 3), due to the fact that it was introduced as a temporary measure in order to put out of force the 1998 law. Apart from the ministry responsible for higher education, the 2002 law foresaw the establishment of the National Council for the Development of University Education (Republički savet za razvoj univerzitetskog obrazovanja). This body was responsible for issues such as criteria for founding new HEIs, financial conditions of universities, university development, participation of universities in the economic development of the country, the role of university in the scientific work of relevance for the country and other matters. The Ministry had jurisdiction over issuing work permits to HEIs, deciding on the content of diplomas and other documents, recognition of foreign qualifications, allocating financial resources to public universities, which was specified by a special regulation (Uredba o normativima i standardima), and carrying out administrative supervision. Apart from these, there was (and still exists) an organisation called the University Association of Serbia (Zajednica univerziteta Srbije), in which university representatives would meet and discuss the issues of their mutual interest. This structure was, however, not legally institutionalised, although it was recognised as the voice of public universities in the country. Likely, it is due to the fact that the law did not stipulate existence of such structure, that this association was considered representative of universities.

With regards to the 2005 LoHE, the major structural novelty introduced concerns the reinstitutionalisation of the National Council for Development of University Education, as a joint state – academic community platform, on one hand, and institutionalisation of several new structures, on the other. The 2005 law foresees the following buffer bodies which are positioned in between the state and the HEIs: the National Council for Higher Education (NCHE) (Nacionalni savet za visoko obrazovanje), the Commission for Accreditation and Quality Assurance (CAQA) (Komisija za akreditaciju i osiguranje kvaliteta), the Conference

of Universities (Konferencija univerziteta), the Conference of Vocational HEIs (Konferencija akademija strukovnih studija) and two Student Conferences (Studentske konferencija), one for universities and the other for the students of vocational HEIs. The first two bodies are operating on the state level and are, together with the Ministry, steering structures, while the role of the conferences is to voice the interests of HEIs, on one hand, and HEIs student parliaments, on the other. Their composition is given in Appendix 3.

Regarding the Ministry in charge of higher education, its competences now also incorporate HE policy development, which needs to be first proposed by NCHE. Interestingly, the 2002 law did not mention policy development or any similar concept. On the other hand, NCHE has overtaken some of the competences previously belonging to the Ministry, such as monitoring of HE development, now making sure that these were in line with European and international standards. NCHE provides opinion on enrolment policy, adopts quality assurance and accreditation standards, decides on the scientific and artistic fields and has other responsibilities. CAQA is a body appointed by NCHE for the purpose of conducting the accreditation process and taking part in the development of quality standards. Both bodies, their composition and how they are formed are defined by the law. It is important to note that a joint state – academic community body, as the NCDUE had been, is not foreseen by this law.

Regarding the conferences, their role is to voice the position of HEIs they represent, as regards teaching, research and artistic activities, enrolment policy, quality standards and measures focused on improvement of material conditions of universities and students. The Conference of Universities also proposes members of the NCHE and CAQA, after the pre-selection procedure through a public call.

In sum, when it comes to the system level, the 2005 law is rather detailed in defining the newly introduced structures and their competences, in particular NCHE and CAQA, while in the case of the Student Conferences the situation is somewhat different. Interestingly, all the elements of the law regulating the system-level competences which had not existed before 2005 fall into the area of responsibility of the new system-level structures, rather than the Ministry. This in particular refers to the issues related to quality assurance and accreditation, as well as HE policy development in general. On the other hand, some of the competences previously resting with the Ministry or the 2002 LoU National Council are now either shared with the NCHE, CAQA and conferences or completely transferred to their jurisdiction.

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An interesting notion with regards to the system-level structures, namely NCHE and CAQA, is that they both are populated by the members of the academic community in majority. It is due to this reason that the academics are now more involved in the system-level governance activities than they had been prior to this law. Moreover, it has been argued that these transformations of external governance arrangements entails a redistribution of authority in the system. In other words, the authority nominally shared between the state and the academic oligarchy has now shifted towards the hands of the academia, which has now emerged as a system-level steering force (Branković, Šabić, Vukasović, forthcoming).

It is also argued that this multiplication of structures at the system level brought by the 2005 law, as well as their composition (see Appendix 3, Table A1), could be interpreted either as a sign of increased trust the state has towards the academic community or of the lack of interest in higher education (Turajlić, 2009). Even though this is not entirely clear, this situation does indicate that the state is moving away from controlling towards supervising the system and resembles the "less government and more governance" mode.

1.6.2   Institutional-level transformations

As it was indicated in section 1.2.1, ever since 1950s faculties in Serbia have been independent legal entities, with a high level of institutional autonomy, both from the university level and from the state. This state of affairs was present in 2002 and it is still the case. An interesting novelty introduced by 2005 LoHE was the concept of higher education institution, which refers to "university, faculty or academy of arts within a university, academy of professional career studies, four-year college, four-year college of professional career studies" (LoHE, 2005). The first two belong to the university sector, while the latter three are considered non-university HE (or, as here also referred, vocational HE) and had not been regulated by the same act as universities in previous periods. All five are independent legal entities and are guaranteed institutional autonomy by the Constitution, which is further specified by the law.

According to the 2002 law, there were two internal governance structures of a university/faculty: the governing body and the professional body. The governing body

consisted of the Board (Savet) and the Rector/Dean[3], while the professional body referred to the (Academic) Council (Nastavno-naučno/nastavno-umetničko veće) (see Appendix 4, Table A2). The law also envisaged one or more Vice-Rectors/Vice-Deans and one student Vice-Rector/Vice-Dean. Only full university professors (from the university in question) were eligible for the position of the Rector/Dean and Vice-Rectors/Vice-Deans. Rector/Dean and Vice-Rectors/Vice-Deans were appointed and dismissed by the Board, after being nominated by the Council and the Rector/Dean, respectively.

On the other hand, the 2005 law specifies four types of institutional governance entities: the governing body, the professional body, the executive officer (organ poslovođenja) and the student parliament. Their composition/formation is given in Appendix 3, Tables A2-3. The 2005 law is more prescriptive than the 2002 one when it comes to the composition of the Board and how it is formed, but it is far less prescriptive when it comes to the selection procedure and competences of the Rector/Dean and those of the Council. These are left to HEIs to be decided upon.

According to the 2002 law, the Board of the university was composed of two representatives of each faculty, one of each institute, the representatives delegated by the university student parliament (on fourth of the total number of faculty and institute representatives) and the representatives of the founder[4] (on fourth of the total number of faculty and institute representatives). To illustrate, if a university had 15 faculties and 6 institutes its Board would have 52 members. The competences of the University Board included: the adoption of statutes and financial report of the university (not the faculties), yearly planning and budgeting, founding of university centres and other. The Faculty Board had more or less the same competences, only adapted to the faculty level. The selection of the Rector and Dean is a competence of the University and Faculty Board, respectively (see Appendix 4, Table A3). As it had been the case by the law from 2002 and those before it, the 2005 law treats both Rector and Dean as *primus inter pares*, i.e. they are as a rule full professors at their respective faculty/university.

On the other hand, the Council gathered faculty Deans, institute Directors, one full professor from each faculty and the Rector and Vice-Rectors. In the case of a 15-faculty and 6-institute

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[3] Rector – refers to the university level executive; Dean – refers to the faculty level executive.

[4] In the case of public HEIs the founder refers to the government.

university, this would mean at least 38 members. The list of competencies of the Council is somewhat longer. The Council was responsible for the academic aspects of university life, such as approving study programmes of individual faculties, but without going into the specific academic matters of individual faculties, for which the Faculty Council was responsible. The Council also approved the university s and provided opinion on the number of students financed from the state budget. Finally, the 2002 law also foresaw student parliaments, though it was not prescriptive when it comes to their composition and competences in their respective institutions.

As for the 2005 LoHE, it is important to emphasise that it refers to both university and faculty as higher education institutions per se, which means that when it defines a structure and provides competences of a body within a HEI, this simultaneously refers to the university and faculty, as well as other types of HEIs. The 2005 law stipulates that the Board adopts the statutes, financial plans and activity report, manages institution's property and decides on the tuition fees. All of these need to be first proposed by the Council. The Board selects and removes the executive officer (Rector/Dean), reports to the founder and performs other activities in line with the law. Apart from the abovementioned competences shared with the Board, the Council is also responsible for the academic matters.

In general, when it comes to the governing bodies and their responsibilities at the level of institution, it could be said that they were to a great extent defined by the law in place, be this the law of 1992, 1998 or 2002. The 2005 law is less prescriptive, as it gives more freedom to HEIs in determining their own professional and executive bodies and thus entails more autonomy for HEIs in this domain. However, when it comes to the matters such as studies, quality assurance, or promotions, the 2005 law is to the same extent or more prescriptive than its predecessors.

Last but not least, in order to secure a higher level of integration of HEIs, the law requires them to "assure unified and coordinated activities of the higher education institution", while for universities to "integrate the functions of all the institutions and units that it comprises, particularly the faculties, by conducting unified policies aimed at continual promotion of the quality of courses and improvement of scientific research and artistic creativity" (LoHE, 2005, Art. 48).

1.6.3   Summing up transformations

On the whole, regarding the governance transformations from 2002 LoU to 2005 LoHE, the following conclusions can be drawn with respect to the external and internal governance:

- 2005 LoHE has introduced "buffer" bodies into the system, although these are not independent, as they are "almost fully colonised by the academics" (Lažetić, 2009:73) and no other party apart from the state and its appointees, the HEIs and students are represented in these bodies.

- 2005 LoHE has envisaged that some of the responsibilities previously belonging solely to the Ministry are now shared with the "buffer" structures or transferred to them. This so-called sideways shift in governance arrangements has been recognised as a trend in governance across Europe (Maassen, 2003).

- Quality assurance is one of the major novelties the 2005 LoHE contains. NCHE and CAQA are buffer bodies whose primary domain of responsibility is precisely quality assurance and accreditation of HEIs and study programmes. Quality had been little, if at all, addressed within legal frameworks prior to 2005 and this goes well in line with current European trends (Maassen, 2003; Lažetić, 2009). In addition, the emphasis on the quality in HE is by some recognised as the main item in the re-regulation of HE, at the backdrop of the recognised trend of deregulation (Maassen, 2003).

- 2005 LoHE has empowered students by introducing student bodies at the national and institutional levels and by prescribing student involvement in matters presumed to be of their direct interest (mainly studies and quality).

- 2005 LoHE is less prescriptive when it comes to the internal organisation of individual HEIs, in particular regarding the legal status of faculties, which are still to a great extent independent from the university level. While the curriculum and quality assurance are to some extent transferred to the university level decision making, this has not been the case with most internal governance procedures and financing issues.

- In order to secure more coordinated functioning of HEIs, in particular universities, the law introduces the so-called "integrative function" of the university, in which it asks for a more unified and coordinated activities.

- Even though the 2005 law stipulates higher level of institutional autonomy of HEIs, it does not foresee evaluation mechanisms targeting the output of institutions' activities. In this sense, the law does not make any kind of linkage between autonomy accountability, which had as well been the case with previous legal frameworks.

- The 2005 law has secured a deeper involvement of the professional body, i.e. the Council, in non-academic matters, such as strategic and financial issues, investments and so on. In principle, by this law the Council is the one issuing proposals to be adopted by the Board. Apart from increasing the level of the professoriate in institutional decision making, this solution also creates incoherence as regards managerial and academic roles of the two bodies.

Last but not least, the governance transformations were more extensive at the system level than at the level of institutions. The 2005 law brought new areas of activity into higher education in Serbia, such as quality, student workload, focus on learning outcomes, cycle-system of studies, university as an integrated entity, international dimension of HE, some of which are part of the so-called "Bologna" narrative. These novelties further triggered some changes in how system and institutions are governed.

1.7   Thesis overview

The research consists of three complementary components: (a) conceptual considerations and operationalisation, (b) methodology and data collection, and (c) the description and analysis of findings, followed by conclusions. The thesis is organised in five chapters. The following chapter (2) introduces the analytical framework, starting from a discussion on the conceptual premises of decision making which is followed by the introduction of the Institutional Analysis and Development framework and the bounded rationality concept, followed by operationalisation necessary for this study. Chapter 3 elaborates on the methodological considerations, data collection, reliability and validity of research findings and limitations. In Chapter 4 the research findings are presented, analysed and discussed, followed by conclusions. Chapter 5 reflects on the conclusions, the analytical framework and methodology used.

2 Analytical framework

This chapter is divided in three parts. First, the concept of decision making is introduced and discussed, followed by the overview of the Institutional Analysis and Development (IAD) framework and its constituent parts. The bounded rationality concept is introduced together with the IAD framework and linked to the corresponding IAD framework element, i.e. the participant. The final part of the chapter operationalises the research problem by using the logic and components of the framework.

2.1   Conceptualising decision making

Decision making is a relatively broad concept and it is approached from a wide range of social science disciplines – economics, political science, organization studies, public administration, anthropology, sociology, psychology etc. (March, 1994; Ostrom, 1999). Apart from supplying the decision making debate with abundance of exhaustive analyses and different perspectives and extensively contributing to its better understanding, the many different approaches bring along some premises from their original disciplines which, as it seems, do add to a better understanding of the complexity of decision making as an object of study, but it simultaneously creates conceptual inconsistencies in addressing the problem of decision making.

March (1994) identifies four issues with respect to decision making which persistently divide scholars from various disciplines. The first is whether decisions are based on rational thinking and follow the logic of consequence or are they rule-based and follow the logic of appropriateness. The second issue rests on the dilemma whether decision makers are consistent in their choices or whether their actions are inconsistent and ambiguous. Third, decision making is either primarily directed to problem solving or to generating social meaning. The fourth matter of debate is, according to March, whether the outcomes of decision making are attributable solely to individuals or to the combined effect of interacting individuals, organisations and societies.

Instead of attempting to make the distinction between these four debates more elaborate, a rather ideational grouping of arguments is made (Table 2.1). In order to approach the problem in a more coherent and straightforward fashion, it is assumed that these two sets of attributes represent two extremes within which scholars move back and forth down the continuum in approaching and studying decision making, be it in the case of logic of action, consistency, orientation or the referential level of analysis, as March divides them.

Decisions as rational	Decisions as appropriate
Logic of expected consequence	Logic of appropriateness
Consistency	Inconsistency, ambiguity
Problem oriented	Social meaning oriented
Individualistic	Holistic, constructionist

Table 2.1 Two logics of decision making (adapted from March, 1994)

This alignment of features is further supported by a distinction March and Olsen made between two conventional approaches to decision making in the context of political behaviour (1996:248). The first one "sees politics as a market for trades in which individual and group interests are pursued by rational actors" which "emphasizes the negotiation of coalitions and 'voluntary' exchange", while the second one is the story of appropriateness, preferences vis-à-vis identities and social institutions. The former belongs to the rational choice family of theories, likely to be more comfortably nested among disciplines such as economics or political science, while the latter belongs to the neo-institutionalist school of thought and is often seen as part of the sociological narrative (e.g. Powell and DiMaggio, 1991).

In the following paragraphs some postulations of these two "logics of action" will be discussed, though not with the ambition to make peace between the sides but rather to introduce them as an ideational background against which the analytical framework chosen from this study is positioned. It would be important to note that a terminological inconsistency permeates this debate among scholars and it is therefore difficult to be consistent in this chapter either, as it is using phrases, messages and citations from the authors themselves. Ostrom observes that if every social science discipline (or subdiscipline) uses different key terms, defines these differently and also focuses on different level of analysis, it is no wonder that "the discourse resembles the Tower of Babel rather than a cumulative body of knowledge" (2005:11). To illustrate, e.g. in the eyes of some scholars institutionalism is in

contrast to interpretations of politics which assume that actors are rational and result oriented (e.g. March, Meyer, Olsen), while for some political scientists institutionalism incorporates a rational choice perspective (e.g. see Hall and Taylor, 1996). In addition, scholars of none of the disciplines have to be unconditionally loyal to either of the two approaches, which implies that, for example, if a scholar is a sociologist he or she does not necessarily argue against rationalism, even though this is often the case. This is in particular amplified if what is seen as one school of thought is internally rife with debate. Another important notion is that this is an ongoing debate which means that positions and argumentations are subject to constant change and have changed so far. Nonetheless, in order to make this introduction more coherent, the *rationalism – institutionalism* dichotomy shall be used, unless indicated differently.

The point of divergence can be traced back to some basic assumptions regarding the individual and its place in a wider social context upon which some of the disciplines addressing decision making traditionally rest. As stated above, scholars from the rationalist tradition postulate that individuals are opportunistic and guided by interests, reward and constraints imposed by social environment (Coleman, 1990). Similarly, transaction cost economics is based on the assumption that individuals attempt to maximise their behaviour to their own benefit with a tendency to be consistent in doing so (Coase, 1937, 1960; Williamson, 1985). This rationalistic approach is in March and Olsen's language placed under the logic of expected consequences approach, which is in turn put against the logic of appropriateness, promoted primarily by institutionalists, the two authors included. Sociologists go even further in this debate by denying that even on the micro level individuals cannot be purely rational as rationality as such is bounded or limited which, according to these scholars, makes this approach self-limiting (Simon, 1976; March, 1989).

Regarding the unit of analysis, most institutionalists tend to focus on the social environment and the effects of macro level structures on the microlevel processes, while the operations on the microlevel are of less relevance in the sense that individuals are not fully "in charge" of their own decisions, as these are constrained by rules, expectations or simply cognitive limitations. This holistic or constructionist position is in line with the assumption that collective choices cannot be deduced to individual preferences as individuals are often guided by institutions, appropriateness or other societal factors which are in essence beyond the individual and more often than not beyond their influence (March, 1994). Interests are institutionally constructed, while social problems are discovered only when they "fit within

existing social institutions" (Powell and DiMaggio, 1991:28). On the other hand, for instance, transaction cost economists see transactions as the basic unit of analysis (Williamson, 1981), while more radical rationalists reject holism to the benefit of methodological individualism. In their view, the point of departure is the individual, or the micro level unit, while the collective action is seen as a sum of individual interests or preferences which can be in return decomposed to individual choices. Such view of rationality is characterised as atomistic (Jaeger et al., 2001). In referring to this matter, Powell and DiMaggio (1991:2) argue that collective political and economic behaviour cannot be interpreted as an aggregate of individual choice while not taking into account the context, as it was claimed by, e.g. behavioralists.

Without striving to engage in an elaborate debate on institutionalism, it seems vital to mention that, at least taken from a sociological point of view, the story of decisions and choices is intimately related to the story of social institutions and related body of theoretical work. As indicated above, institutionalism is an approach found within several disciplines: economics, organization theory, political science and public choice, history, and sociology – "united by little but a common scepticism towards atomistic accounts of social processes and a common conviction that institutional arrangements and social processes matter" (Powell and DiMaggio, 1991:3). In this sense institutionalism does bring all these disciplines together but their own disciplinary premises keep them apart and in constant debate over a wide range of related issues, even very fundamental ones. For instance, some of them do not even label the same phenomena "institution". In economics and public choice theory institutions are "products of human design, the outcomes of purposive actions by instrumentally oriented individuals", for Shepsle and some other political scientists institutions are often perceived as "scripts that constrain behavior" and not subject to human agency (2006:26), while for sociologists institutions comprise a far broader set of concepts, from handshakes to vacation to state agencies (Jepperson, 1991:144; Hall and Taylor, 1996). Arguably institutionalists largely disagree on the relationship between individual agency and institutions, on how institutions come to be, how they change and resist change and how they die, as well as why and under what circumstances these occur and what is the role of differently oriented individuals in the process, be they rational, consistent, more informed or less informed. In this respect, in the work on institutions there is no such thing as a unified body of thought. However, some scholars have suggested different typologies or approaches to analysing

institutions. For instance, in the case of political science, Hall and Taylor (1996) talk about three new institutionalisms: sociological, rational choice and historical.

Ultimately, institutions are tightly linked to decision making, either by constraining it, as rationalists would argue, or by guiding it, as more constructionist institutionalists would advocate. Yet decisions are motivated by some factors, be they exogenous or endogenous with respect to the decision maker. A great deal of the discussion briefly presented above boils down to this notion, in the sense that while some scholars argue in the favour of one group of factors to be the dominant ones in defining decision making, others argue for another. In other words, it is a battle of perspectives both of which rest on somewhat different paradigmatic assumptions about, in this case, what motivates choice, and are therefore difficult to contrast in a single empirical endeavour.

As there are many approaches anchored at different points down the continuum between the extremes, it is likely that neither the rationalist nor institutionalist approach have a potential to fully grasp the complex nature of choice or decision making. As it appears, no school of thought seems to be fully comfortable with the explanation of decision making it has developed and is therefore constantly striving to accommodate conflicting arguments in the existing approach (Finnemore and Sikkink, 1998). Shepsle (2006:14) observed this in the context of rational choice institutionalism:

> *In defense of the early program in rational choice institutionalism, it must be acknowledged that a paradigm, as Kuhn (1970) reminded us, develops protective boundaries in order to permit normal science to progress […] Eventually, however, some of the criticism is constructive, it begins to attract attention, the boundaries weaken, and practitioners seek ways to accommodate what they had formerly rejected. I believe this is the current state of the program in rational choice institutionalism. It is increasingly responsive, not imperialistic, and the distinctions between it and its institutionalist cousins are beginning to weaken.*

As it is summarized in this excerpt, in the heat of debate many conflicting arguments arise, which does provoke responsiveness, reconsideration of premises and finally compromises.

Hence, finding the middle ground is something many scholars have sought and, in that process, produced insightful approaches. For instance, the institutional theory has been

challenged for its neglecting of active agency in organisational responses. Yet some proponents of new institutionalism, such as Oliver, argue that "institutional theory can accommodate interest-seeking, active organizational behavior when organizations' responses to institutional pressures and expectations are not assumed to be invariably passive and conforming across all institutional conditions" (1991:146). In supporting Oliver's typology of these institutional responses, Scott (1996:125) argues that organisations can indeed act collectively in creating an institutional framework and thus amplify their power with respect to the environment of which they are a part, a view to some extent shared by e.g. Olson's logic of collective action (1965).

Up to this point the discussion has been only a glimpse into a decades long and exhaustive debate on, put it simply, what guides action. The focus, however, has been on some basic aspects, without going into elaborate discussions, as it would be beyond the purpose and scope of this thesis.

In analysing a political or social phenomenon such as decision making is, choosing an approach which brings together some premises from both sides seems a rather logical way of approaching the decision making researched in this project. Furthermore, assuming one of the perspectives does not necessarily have to mean rejection of all the premises coming from another one. On the contrary, a complex research problem, such as decision making, needs to be analysed with a tool which is flexible enough and can accommodate different approaches.

Schlager (1999) and Ostrom (2005) make the distinction between three conceptual levels: frameworks, theories and models. In brief, a framework lies at the broadest conceptual level and it is a tool which enables the analyst to identify and organise the elements of inquiry and their mutual relationships. It is flexible and it allows for different theories to be used and combined, but in itself it cannot predict behaviour or outcomes (Schlager, 1999). A theory is more specific and it is used for making assumptions about elements necessary for diagnosing and explaining phenomena and predicting outcomes. Unlike frameworks, theories can explain and predict, which is also true of models. Finally, a model makes assumptions about a limited set of parameters and variables and is the most specific and rigid of the three (Ostrom, 2005:28). This thesis, however, uses only a framework, as it aims at identifying elements of the decision making and their mutual relationships and does not strive to predict future events.

In sum, decision making is a very complex phenomenon to analyse. In order grasp it as it is envisaged in the research problem, the Institutional Analysis and Development framework, developed by Elinor Ostrom and her colleagues, is suggested as the analytical tool. The next part analyses this framework and discusses what Ostrom's institutionalism suggests for understanding decision making.

2.2   Institutional Analysis and Development Framework as a tool for analysing decision making

Within the rational choice tradition, Elinor Ostrom is noted for her work on institutions. The Institutional Analysis and Development Framework (IAD framework) is a "multitier conceptual map" which treats choice making as an operation on both micro and macro levels (Ostrom, Gardner and Walker, 1994; Ostrom, 2005). It was first developed in 1970s by Ostrom and her colleagues and although developed from the research on common pool resources and being more related with the rational family of theories, such as game theory, public choice and others, IAD framework also incorporates some of the premises of the institutional theory, in particular those related to the rules and related social constructs. In effect, Ostrom's idea while developing the framework was to integrate work undertaken by political scientists, economists, anthropologists, psychologists, sociologists, lawyers and other who were contributing to the understanding of how institutions affect individual behaviour. IAD framework is, as Ostrom phrased it, an attempt to "develop a conceptual approach that hopefully has a higher chance of cumulation than many of the separate paths currently in vogue in contemporary social sciences" (2005:11). Yet, different analysts tend to focus on different elements of the IAD framework, depending on the nature of the disciplinary approach assumed (Ostrom, 1999:49).

For Ostrom institutions are "the prescriptions humans use to organise all forms of repetitive and structured interactions including those within families, neighborhoods, markets, firms, sports leagues, churches, private associations, and governments at all scales" (2005:3). Ostrom further adds: "Individuals interacting within rule-structured situations face choices regarding the actions and strategies they take, leading to consequences for themselves and for others." Ostrom argues that social behaviour is constructed from universal components

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organised in several layers which affect the behaviour and results individuals achieve. The IAD framework, being a multilayered one is Ostrom's response to this challenge (2005:8).

As mentioned above, within the IAD discourse, human decision making is the outcome of many layers of internal processing, from macrolevel phenomena to cognitive structures, with cognitive structures such as individuals' intrinsic values or beliefs at the bottom layer and groups of individuals – families, organisations, nations etc. – on the top of it. These are in turn parts of larger structures, or in other words "what is the whole system at one level is a part of a system at another level" (Ostrom, 2005:11).

2.2.1   Decomposing Ostrom's IAD framework

The core unit of analysis of the IAD framework is *an action arena* in which *participants* and *action situations* interact (Figure 2.1). It is therefore "the social space where individuals interact, exchange goods and services, solve problems, dominate one another, or fight" (Ostrom, 1999:42). In the process of generating *interactions* that produce *outcomes* which feed back onto the participants and the action situation, the action arena is affected by a set of *exogenous variables*. Apart from these, *evaluative criteria* are used to evaluate performance of the action arena and its outputs. Even though exogenous variables (here also referred to as *context variables*) are treated as fixed when studied, they may be affected by the outcomes.
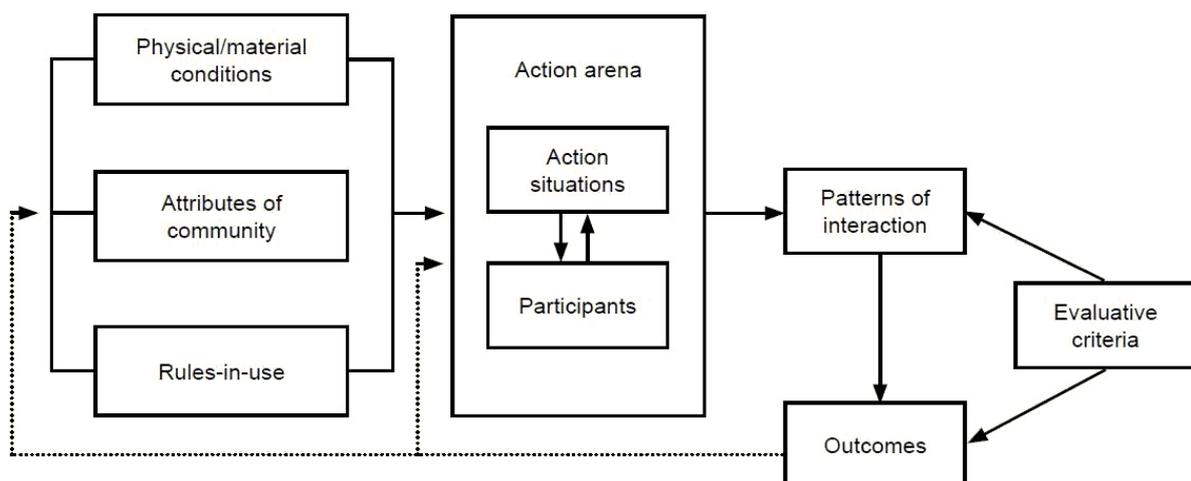

Figure 2.1 The IAD framework (Ostrom, 2005)

An action arena can be decomposed into two main components: participants and action situations (Figure 2.1). The remainder of this part of the chapter is dedicated to these two components, followed by the description of the exogenous variables and the multi-tier aspect of the IAD framework.

Participants and rationality

Participants hold the central position in the action situation. Ostrom distinguishes among three types of attributes participants (actors) have in an action situation: *status*, *number* and *individual attributes*. Participants in an action arena can have individual or team status, depending on the arena itself. Under particular circumstances a group of individuals can be considered as one participant (Ostrom, 2005:38) and in this case certain prerequisites need to be satisfied, such as that the group of individuals given the status of one participant or a team needs to be composed of individuals which share many similar characteristics so that the aggregate behaviour observed of a group is predictable by drawing from the characteristics of a sample of individuals (Scharpf, 1997 in Ostrom, 2005:39). The individual attributes refer to participants' personal attributes such as age, gender, education, ethnic background etc., as well as their cognitive structures. Attributes of participants can be ascribed or acquired and they are also seen as "affected by rules structuring the action situation" (Ostrom, 2005:40). Apart from attributes, individuals can also share same preferences in a particular action situation and thus be considered to act as a group. However, even though they may act as a group or a collective actor in one action arena, they internally could have their own decision making mechanisms and ways of deciding on the collective preferences in the action arena in question (Scharpf, 1997 in Ostrom, 2005:39).

Regarding participants' cognitive structures, they can be more or less explicit. Yet it is assumed that the rationality of the individual is limited. The individuals in the decision making process are presumed to be "intendedly rational" (March, 1994:9), in the sense that they tend to act in ways they believe will make them better off and therefore are goal oriented. Using the bounded rationality approach would prevent us from making unrealistic expectations about individuals' calculation capabilities, which is consistent with the IAD framework (Ostrom, Gardner and Walker, 1994). Moreover, it is assumed that actors have preferences but they do not have to be consistent nor unambiguous throughout the process in these preferences. In the same manner, it is assumed that individuals can attempt to be

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problem-solving oriented but fail, or they can simply not be aiming at effectiveness at all but, as James March (1994) would argue, at creating a socially recognisable meaning out of their actions. Last but not least, it is assumed that individual preferences may have a varying level of ideological or value-based match with value-infused elements found in what Ostrom's exogenous variables denote, primarily in community attributes (e.g. culture) and rules.

Action situation

The participants in an action situation interact. The nature of this interaction is defined be a set of variables (Figure 2.2): *positions, potential outcomes, the action-outcome linkages, the control that a participant has in regard to this function, the information*, and finally *the costs and benefits assigned to action and outcomes* (Ostrom, 2005:32).

Positions. Positions are the connecting link between participants and actions (Ostrom, 2005:41). As participants can consist of one or more individuals, positions can be occupied by one or more participants (and thus by one or more individuals) and depending on the situation itself, the number of positions can be fewer than the number of participants. Ostrom also defines "the standing" of a participant in a particular action situation which refers to "the set of authorized actions and limits on actions that the holder of the position can take at particular choice sets in the situations" (Ostrom, 2005:41). In the case of legislature, the standing position of participants is to debate and vote. Also, participants can or cannot control their own entry into or exit from a position, which, as Ostrom suggests, affects the action situation and its outcomes. For instance, if participants can control their exit from the action situation, they are authorised to debate, vote and exit, which can have different outcomes if compared to the situation where they can only debate and vote (or only debate). Other scenarios are also possible, such as that some participants can affect the standing position of other participants. For instance, a participant A can have a say in whether a participant B can vote or not on a particular issue.

Potential outcomes. Outcomes refer to the combination of a physical outcome and the value participants assign to that outcome. This "utility value", as Ostrom phrases it, is the position an outcome has in the ranking of preferences the participants have, e.g. along the scale from the most preferred to the least preferred consequences of their actions (Ostrom, 2005:42). For example, two participants could assign different value to the same outcome, and act

accordingly, i.e. one participant could assign high value to a financial benefit and therefore act towards achieving it, while the other could assign no value to it and act toward achieving a different kind of reward. Outcomes can as well be unintended, as the participants can sometimes have limited or imperfect information on the factors of relevance (Ostrom, 2005:43; March, 1994). Also, the result of an action situation can as well be a status quo outcome, meaning that at the end of the action situation no variable has undergone a change in its value.
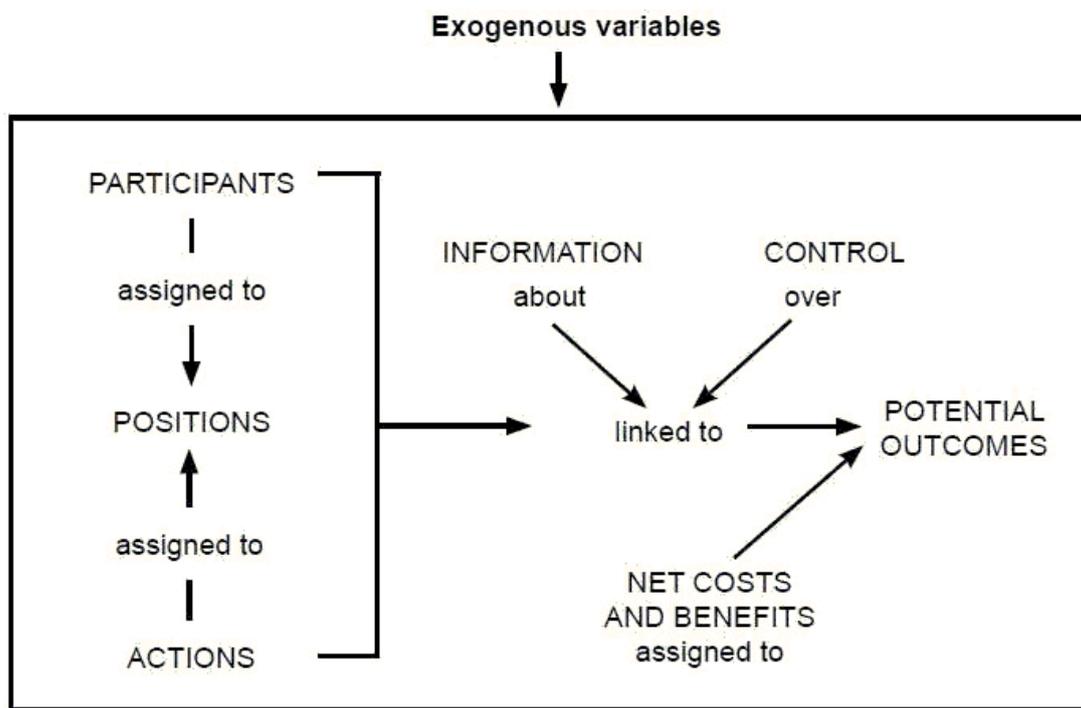
Figure 2.2 The internal structure and rules of an action situation (Ostrom, 2005)

Action-outcome linkages. Participants at any stage in the decision making process choose from a set of actions. In a particular situation, individuals make choices in line with their own beliefs about the opportunities and constraints of that situation. Ostrom also argues that participants choose those actions which they estimate will affect the outcome variable in the way participants desire. Action-outcome linkages can be certain, risky or uncertain, depending on the structural aspects of the situation and not on the information a participant has about the situation (Ostrom, 2005:49). For instance, when a linkage is certain every action available is linked with only one outcome, unlike the risky in which the number of linkages can be more than one. Yet, Ostrom argues, most formal games are known for uncertainty, as probability of certain actions and their leading to certain outcomes is unknowable.

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Control. Participants can have varying degrees of control over an action-outcome linkage, from absolute to almost none. Ostrom links the concept of control to the concepts of opportunity (described above) and power, where power entails "the opportunity times the extent of control" (2005:50). By this logic, a participant can have a high level of control but a small degree of power if the opportunity is small. In other words, in order that a participant is viewed as highly powerful both opportunity and control need to be high on the scale. The degree of control, power and opportunity can vary among participants in one action situation and this depends on the action situation itself. Similarly, the degree of control, power and opportunity of one participant can vary in different action situations.

Information. Participants in an action situation can have complete or incomplete information over the action situation, i.e. the number of participants, the positions, the outcomes, the linkages, the actions available, the control and information other participants have, as well as costs and benefits (Ostrom, 2005:50). It can be assumed that all participants have complete information, i.e. are completely familiar with who are the participants, what moves they can draw, what information they all have at their disposal and so on. However, in real life situations this is probably never the case, as participant rarely have information on other participants' past actions or their cognitive structure, which means that the information participants have is almost as a rule incomplete. Once it is assumed that information is incomplete, what kind of information participants actually have in every situation becomes very important for how they take action.

Costs and benefits. Depending on their actions, participants can be rewarded or sanctioned. Costs and benefits are cumulative, says Ostrom (2005:52). As indicated above, Ostrom makes a distinction between a physical outcome, an external reward or sanction and the value a participant assigns to their combination. She also introduces a concept of intrinsic valuation associated with an external reward or sanction which refers to the internal value participants attach to benefits and costs. These intrinsic valuations can be positive (pride, joy) or negative (shame, guilt) and measuring these valuations is considered extremely challenging.

Exogenous variables

Ostrom distinguishes between three types of exogenous variables: biophysical and material conditions, community attributes and rules. All three are briefly introduced here.

Biophysical and material conditions. The importance of biophysical and material conditions depends on the nature and types of settings (Ostrom, 2005:22). As IAD framework is based on common-pool resources studies, in which e.g. the size, position and mobility of resource are of key relevance for the action arena, biophysical and material conditions are seen as important exogenous variables in such settings. However, the biophysical conditions of Serbia as a country are not expected to be of any significant relevance for the HE system and also for the decision making that is analysed here. Therefore, instead of analysing the attributes of the physical world, the idea is to take the social, economic and political context in which Serbian HE system operates and by which it is affected as the type of exogenous variable which seems to be the closest to the material and biophysical conditions of Ostrom's common-pool resources.

Attributes of community. Ostrom lists the following attributes of a community affecting an action arena: values of behaviour accepted (culture); the level of common understanding about certain types of action arenas; the level of homogeneity in the preferences found among those populating the community; the size and composition of the community; and the extent of inequality among the members of the community. In the case of decision making in the context of higher education, the community refers to the HE system in Serbia. Whereas the attributes are the size of the system (enrolments, number of HEIs, etc.), the organisation and governance, its HE institutions and their place in the system, the financing of HE in Serbia, as well as the culture, value system and shared preferences among the members of the community. It is of importance to note that participants in the action arena are at the same time a part of the community, i.e. the HE system in Serbia.

It is also important to distinguish between the social, economic and political context, on one side, and the community attributes, on the other. The former refers to the world which is external to the HE system, while the latter refers to the HE itself.

Rules. Rules are arguably one of the most complex social phenomena to conceptualise. It is a central concept in the body of work on institutions and its meaning is by and large differently understood. They also do not have to be visible nor understood as rules by everyone and in the same fashion. Some rules are written in laws and their breaking often provokes punishment, while some "go without saying", though these can as well bring costs upon an individual if breached. To the former Ostrom refers as the rules-in-form, while the latter are rules-in-use. Rules vary across action arenas and even across action situations in the same arena, thus, they

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tend not to be constant. Moreover, their susceptibility to human effect varies, in the sense that some are more deeply embedded in a social or cognitive structure, while some are more transient in their nature. Apart from being a vague concept, rules are also a broad concept and are a challenge in terms of recognition and classification. Within the IAD framework, rules are organised according to their direct impact on an action situation (2005:22). Ostrom puts forward the following types of working rules:

- *Entry and exit rules* (or boundary rules) determine who can enter or leave an action arena and how this decision is made and this is linked to the attributes required of participants. For instance, a person can participate in decision making if chosen by a particular organisation.

- *Position rules* prescribe what positions there are to be taken by different participants. It is also possible that in one action arena only one position is available and all the participants interact on the same level, as equal members of a decision making entity.

- *Choice or authority rules* define what a participant in a particular position must, must not or may do, in other words, what choices of action are at his disposal.

- *Scope rules* define which outcome variables must, must not or may be affected as a result of actions taken in the action situation. For instance, if we speak of decision making, the scope of action refers to what the participants must decide about, what they must not, and what they may decide about.

- *Aggregation rules* are present when participants at multiple positions decide over the same action variable. They specify the responsibility over an action, i.e. who participates in the concrete choice, how much weight each participant will have in relation to others and how these different weights are calculated into a single aggregate choice.

- *Information rules* determine what information participants in particular roles must, must not or may communicate to other participants in particular roles at particular points in the decision process.

- Lastly, *payoff rules* specify the costs and benefits assigned to particular outcomes, meaning that they tell us of what sanctions and rewards the participants are liable to once particular outcomes are realised.

These rules are linked to corresponding elements in the action situation, as given in Figure 2.2. Nevertheless, rules do not always exist in relation to all elements of an action situation (Ostrom, 2005). It is also distinguished between the rules which participants themselves create (internally generated rules) and those which are created externally (externally generated rules).

2.2.2   Linking action arenas

The ability to link multiple levels of action is a key asset of the Institutional Analysis and Development framework. However, although IAD framework acknowledges multiple levels of decision making, it does not limit researcher to conducting a multitier analysis, but rather permits the freedom to focus on a particular level, as well as on a particular elements of the framework.

Analysing linked arenas is closer to reality than analysing a single arena, as "social reality is composed of multiple arenas linked sequentially or simultaneously" and action situations are rarely found independent of each other (Ostrom, 2005:55). Hence, interactions are repeated and individual participants' tend to perceive them as such. Ostrom distinguishes between three levels at which situations can be placed (see Figure 2.3):

- Constitutional-choice situations
- Collective-choice situations
- Operational situations

The rules generated at the constitutional level affect collective-choice situations, while the rules made in collective-choice situations affect the operational situations. Ostrom phrases this as follows: "All rules are nested in another set of rules that define how the first set of rules can be changed. [...] What can be done at a higher level will depend on the capabilities and limits of the rules at that level and at a deeper level" (2005:58). She therefore distinguishes between three levels of rules and refers to them as *operational rules*, *collective-choice rules* and

constitutional rules, depending on the level of situations which they affect (not at which they are generated)[5].

Operational rules are the easiest to change and they affect day-to-day decisions made. Collective-choice rules change more slowly and they affect operational activities and determine who is eligible to be a participant and how operational rules are changed. Constitutional-choice rules determine who can participate in collective-choice decision making and how operational-choice rules are altered. These change at the slowest pace.
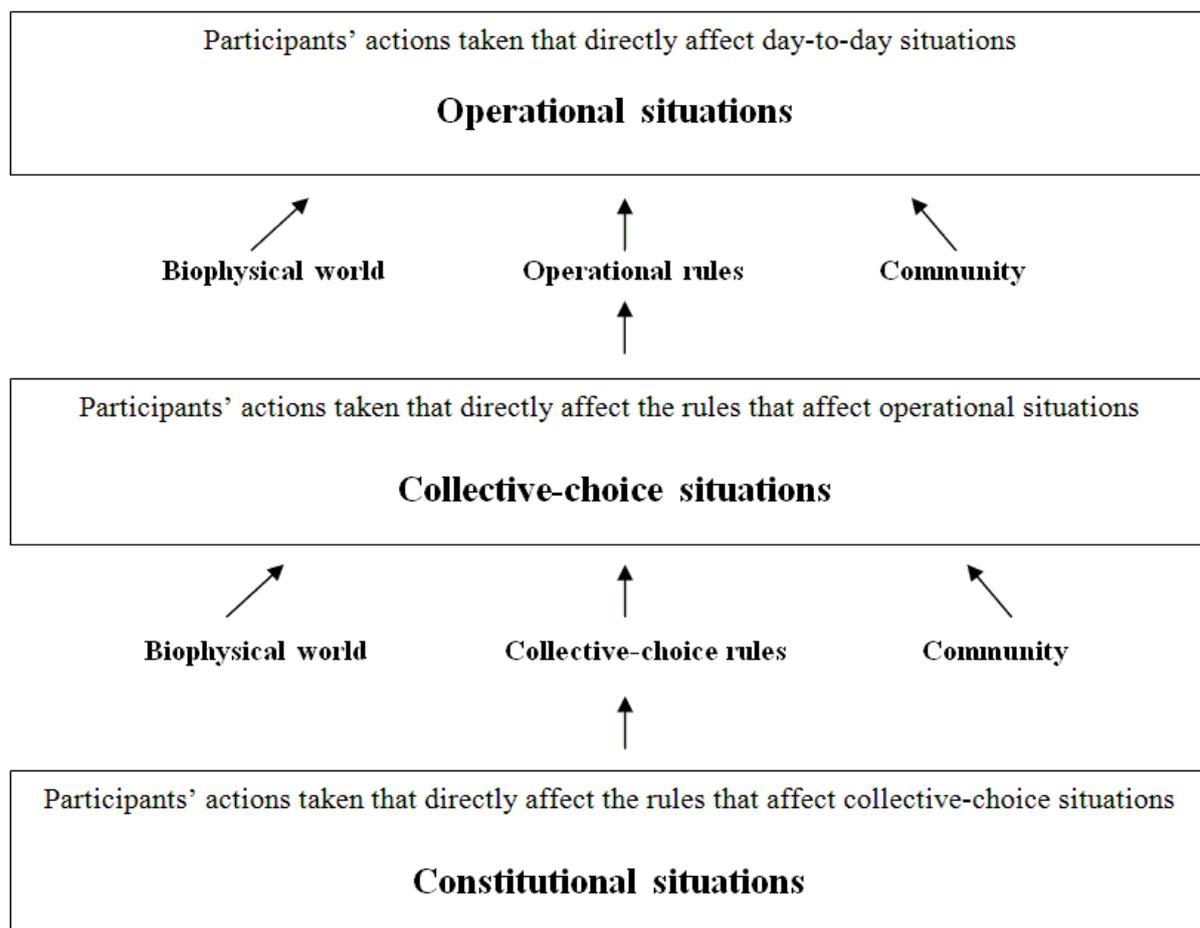

Figure 2.3 Levels of analysis and outcomes (adapted from Ostrom, 2005)

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[5] NOTE: These three levels of rules are not to be confused with the types of rules presented in 2.2.1 which can be either generated either at the level beyond the actual action situation (externally generated) or within the action situation (internally generated).

2.3   Operationalisation

As presented in Chapter 1, the subject of this research is the decision making process within the scope of drafting the 2005 Law on Higher Education, on provisions related to governance at the system and institutional levels. The idea of the new legal framework was initiated by the 2001-2004 Government of Serbia, i.e. most notably by its Ministry of Education and Sports, and it was further developed through several phases until the law was adopted by the Government and subsequently passed by the National Assembly in 2005. Here, the decision making process (*the process* throughout the text) refers to one of the phases in the preparation of the final version of the draft law, i.e. *the four working groups* hereby identified which at different points contributed to the final draft. It is important to note that the thematic scope of the law-drafting activity was much broader than analysed here, as the content of decision making were other HE issues as well, not solely governance. However, as the focus of this research is external and internal governance, the issues which go beyond this thematic scope are not analysed, unless they are of significant importance to the decision making on governance.

Put against the IAD framework, the research problem presented in the first chapter gets a more defined contour in which action situations, participants, interactions, outcomes, evaluation and external factors are linked in a logical manner. Nevertheless, it is important to add that for the purpose of this study the IAD framework has been adapted to the specificities of the subject matter, though keeping its main elements and following the logic of the framework.

This decision making process represents the main unit of analysis, yet the study is focused on external and internal governance decision making within the frame of drafting the 2005 Law on HE and not on the entire subject matter of the legislative process. Therefore, some aspects of governance arrangements (in particular at the level of institutions) are not included in this study, regardless of their relevance for the HE system or a HE institution, as they were not decided upon in the decision making process here in question.

As shown in Table 2.1 below, the decision making process under study is positioned at *the collective-choice tier* in each of the four working structures (hereby termed "working groups") identified to been crucial to the decision making. However, the action situations at the

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constitutional and other levels are not of our prime interest, as the scenarios for the transformations of governance arrangements developed at the collective-choice level of the decision making. To illustrate, the first constitutional situation is the one in which the 2002 "rules of the game" were determined by the National Council for the Development of University Education by appointing a working structure to prepare a concept of the future legal framework for HE. This working group is in turn the action situation at the collective-choice level of rules. As shown in Table 2.1, *four different working groups* are identified to be involved in the decision making process at this level: WG-2003-1, WG-2003-2, WG-2003-3, WG-2004-1, one following the other throughout 2003 and 2004. The outcome of these groups' work would be the framework for legally arranging governance relationships in the Serbian HE system (operational level), which was, once the last group (WG-2004-1) finished its work, passed to the Government and the Parliament for adoption. It is assumed that HE decision making within all four working groups was affected by the workings of various exogenous variables, such as rules, culture, material aspects etc., as foreseen by the IAD framework.

	Constitutional situations	Collective-choice situations
WG-2003-1	26.12.2002. The National Council for the Development of the University Education appointed a working group to work out a basis for higher education reforms in Serbia.	▪ This working group (WG 2003-1) met from January until March 2003 and, among other issues, discussed governance arrangements; ▪ The group gathered the state representatives and the academic community representatives.
WG-2003-2	10.03.2003. The Extraordinary meeting of the National Council was held to revise the composition and working rules of WG 2003-1. WG-2003-1 was enlarged with 4 additional representatives of UniBG and 3 students.	▪ This working group (WG 2003-2) met from April until July 2003 and, among other issues, discussed governance arrangements; ▪ The group gathered the state representatives, the academic community representatives and student representatives.
WG-2003-3	16.09.2003. The Council of the UniBG appointed its own group for developing amendments to the Ministry's draft (WG 2003-3).	▪ This working group (WG 2003-3) met from September 2003 until April 2004; ▪ The group gathered representatives of the University of Belgrade.

WG-2004-1	September 2004. The Ministry asked for the enlargement of the WG 2003-3 with representatives of other universities and students. The Ministry's instructions were followed which lead to the establishment of the fourth WG.	▪ This working group (WG 2004-1) met in November and December 2004; ▪ The group gathered representatives of the state, the academic community and students.

Table 2.1 Two levels of the decision making process.

The individual participants in working groups (i.e. action situations) are organised in three groups or teams whose team status is hereby identified as *the state* (or *the government*), *the academic community* and *the students*. Here the state refers to all individuals in the decision making process representing the Government (in the case of Serbia, this, almost as a rule, refers to the ministry responsible for higher education), the academic community (sometime referred to as academics) to all individuals in the decision making process representing higher education institutions, and the students to all individuals in the decision making process representing students. However, the teams tend to be more or less heterogeneous, while the level of their diversity varies throughout the process. Due to this reason, even though here introduced as teams, participants are also approached as individuals or even sub-teams and this depends on a particular situation. The number of participants depends on the concrete situation and was not stable throughout the process (see Appendix 5). For the sake of clarity, individuals are hereby termed participants, while the state, academics and students (as groups of individuals representing one of the three stakeholders) are termed *actors*.

The three identified actors are not to be confused with *positions*, which are the connecting link between actors/participants and actions in an action situation. For instance, in an action situation the positions available could be the chair, members with a right to vote, members without voting right etc. The position of the member with the voting right can be populated by both academics and students, for instance. Positions are relevant in the sense that they define the set of allowed moves an actor/participant can make and therefore they limit the action and make it more predictable. They also tell us of the *information* at actor/participants' disposal and their *control* over the action-outcome linkages tied to their positions. For example, working group members (i.e. a participant in an action situation) at the same position are expected to have the same information and level of control over the potential outcomes. However, as this is rarely the case, in this study positions will be approached in a more specific manner. In other words, if there are indications that in an action situation participants

at the same formal position have significantly varying level of control over the action-outcome linkages they will be assigned a different position, as they have a different standing, regardless of the fact that they formally occupy the same position as a participant with more limited control, for instance. In concrete, a representative of the Government could have more information and more control over the action-outcome linkage than a student, even though both occupy the same position (e.g. a member) in the working group.

Within every action situation actors and participants *interact*. In a decision making process their interaction leads to joint decisions in the form of outcomes. However, the patterns of interaction do not always have to be visible in a concrete formal situation. Some participants can interact in an informal setting, outside the formal setting, without the knowledge of others. Moreover, the nature of interaction among the same participants can vary, depending on the setting, or the presence or absence of some other participants, etc. For instance, representatives of the academic community could informally meet and discuss possible actions, without informing either the state representatives or students. This could happen even between some individuals from the student and some from the academic community group, while other individuals pertaining to these groups might not be involved or informed. All these can affect the outcome of the decision making and are therefore taken into consideration.

Interactions inside action situations result in *outcomes* in the form of joint decisions, which does not have to be *evaluated* in the same way by all the participants. For instance, a working group can decide on a matter, however, not all the members of the group have to agree on the decision. This can result in, e.g. placing the issue on the agenda of another, perhaps differently composed, working group and attempting to amend the previously taken decision.

As for the biophysical conditions, these would refer to *the social, economic and political context* in which Serbian HE system operates and with which it interacts, both by being affected by it and by having an effect on it. They have been introduced in chapter 1.2. With regards to the attributes of community, they refer to the attributes of *the HE system in Serbia*, such as the size of the system, the organisation and governance, its HE institutions, their size and place in the system, the financing of HE in Serbia, as well as the culture, value system and shared preferences among the members of the community. As regards *the rules*, it is distinguished between the collective-choice rules (coming from the constitutional-level decision making), on one hand, and the rules generated inside the collective-choice situation,

by the participants themselves, on the other. Both types of rules are linked to the corresponding components of an action situation, as given in 2.2.1 (Figure 2.2). The former are related to the situation level they are generated at, while the latter are assigned to the components they regulate in an action situation (Figure 2.2).

Figure 2.4 represents the analytical framework, combining the elements from the Ostrom's IAD framework given in figures 2.1, 2.2 and 2.3. Action situation WG-2003-2 is used as an example.
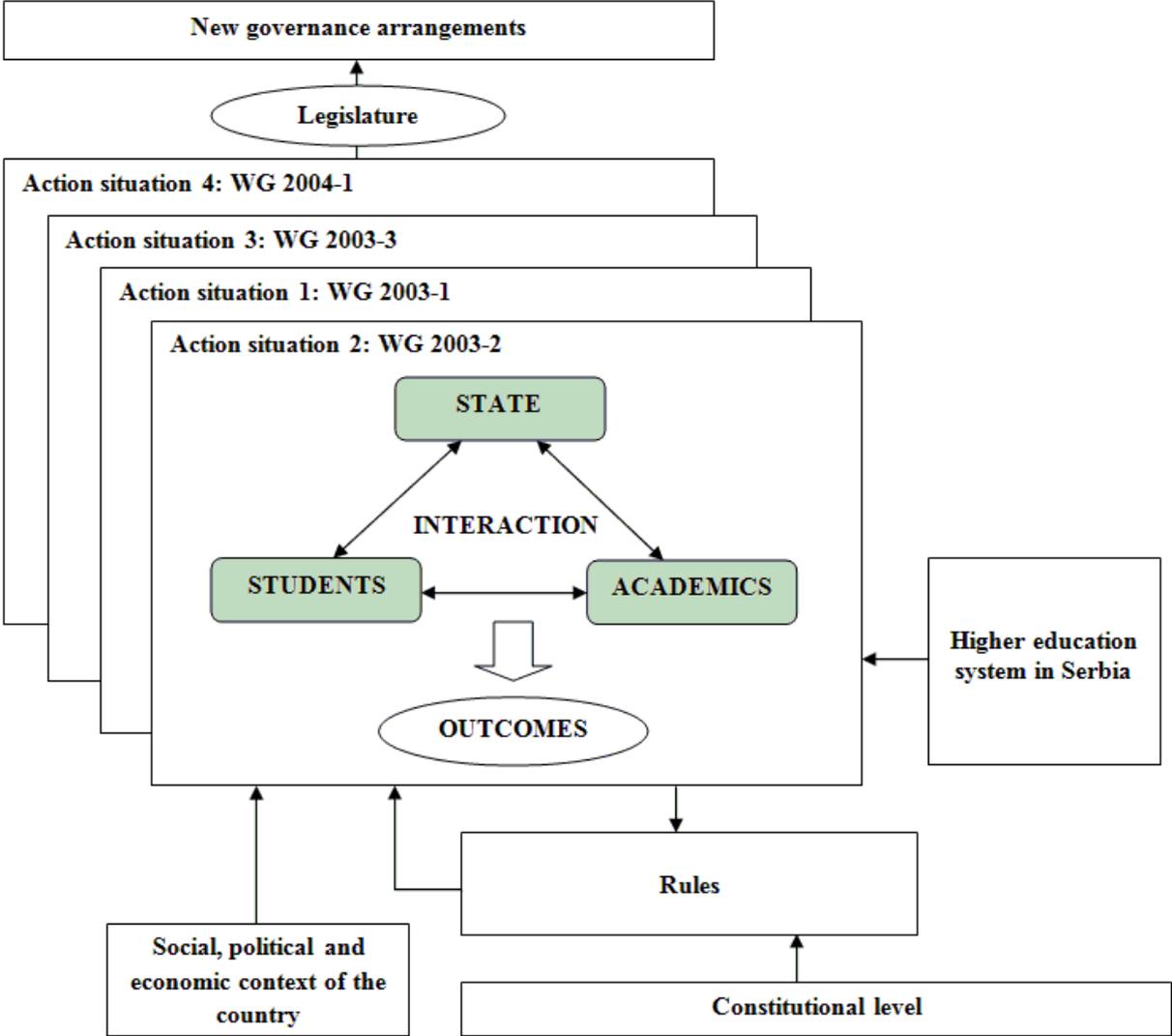
Figure 2.4 The framework for analysing the research problem

The inside of the action situation is populated by the state, the academics and student participants who interact and produce joint outcome of that interaction. While doing so they are affected by three groups of exogenous variables, namely, the political, economic and

social context of Serbia (biophysical and material conditions in Ostrom's framework), various aspects of the HE system (community attributes) and the rules, which can be generated outside the action situation or inside, by participants themselves. The internal structure of every action situation differs in terms of which actors and participants are involved, what positions they occupy and what actions they take, what kind of information and control they have, what participants' individual or group characteristics and preferences are, how they evaluate outcomes, as well as how benefits and costs are calculated in terms of the potential outcomes. Although all these elements are not included in the diagram, for clarity reasons, they are given attention in analysing the decision making process.

Finally, with respect to governance transformations, *the interaction* among the actors is expected to take place in various *thematic arenas*, belonging to external and internal governance, which shall be indentified in the next chapter. It is by following these thematic arenas (topics) that the research problem will be addressed.

3 Research methodology

This chapter introduces the research design and data collection methods, followed by some considerations over validity and reliability of research findings and finally by limitations of the research.

3.1   Research design and data collection method

The research is designed as a social science qualitative research focusing on decision making processes in determining higher education governance changes in a post-socialist country. Having a legislative decision making process as the primary focus of this research, the disciplinary approach chiefly assumed is political science, with which the IAD framework introduced in the previous chapter is consistent. In support to this statement, it is argued that the state-level decision making on governance arrangements in any particular sector (HE in this case) belongs to the political science discourse (Peters, 2001; Pierre, 2000).

The data used in this study was collected by using two techniques, namely, *documentary analysis* and *in-depth, semi-structured interviews*. Given the fact that this study generates findings from so-called "soft" data, it is bound to be more interpretivist then positivist, from the epistemological point of view.

The documentary analysis is based on the analysis of the secondary data. These include system-level and institutional-level regulatory documents (both working and final versions), notes from meetings related to the decision making process (those that were accessible), related correspondence and official statements, as well as related publications, reports and studies. The body of documents analysed also includes those containing quantitative and qualitative data related to the topics discussed and other various texts which were found to be relevant. They are all included in the list of references.

Interviews were envisaged for generating primary data on the phenomenon under study. They were conducted with key actors in the decision making process in question: members of the academic community, representatives from the ministry responsible for higher education and

students. In total, ten interviews were conducted, out of which two (three)[6] were Ministry representatives, five (four) were members of the academic community and three were students. Apart from selecting them on the basis of which the three actors in the decision process they represented, the interviewees were also chosen on the basis of how active they were as representatives of the state, the academic community and students in that process, as well as what their position inside their respective institutions or organisations was, giving priority to those on leadership positions. The rationale for these lies in the assumption that leaders and more active participants posses more information on the actual conditions and the relationships in the decision making arena. They were also the ones who were more likely to influence the direction of the decision process and thus have a better insight into the rationale behind some of the actions.

The interviewing took place in February and March 2010. The interviews were conducted in person, recorded, transcribed and to a very limited extent coded, as the interviews were envisaged as semi-structured. One of the interviews (from the academic community group) conducted in person had to be made short (not more than 20 minutes), due to the time limitations of the interviewee, in which case only the crucial questions were asked. One of the informants was acting both as an academic community representative and as a state representative, due to the fact that the person, being a university professor, was at one point in the process appointed to a high position in the Ministry. Interview questions in this case were posed in such a way that the interviewee could distinguish between the two roles. All interviewees are anonymous. All interviews were conducted in Serbian and transcribed as such. For the purpose of quoting, parts of the interviews were translated into English. The interview guide and the list of interviewees by description of their positions and roles in the decision making are included at the end of the thesis document (Appendices 1 and 2). The interview guide was not always strictly followed, due to the semi-structured nature of the interviewing and the need to probe whenever it was considered necessary. The average duration of interviews was about 60 minutes.

Within this research, primary and secondary data are triangulated against each other for the purpose of the higher credibility of observations (Ary et al, 2009; Babbie, 2009; Marshall and Rossman, 2006).

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[6] The number in brackets indicates that one of the interviewees was participating in the process both as a ministry representative and the academic community representative, however, not simultaneously.

3.2   Reliability and validity

The issues of validity and reliability of research primarily come from the positivist paradigm (Winter, 2000) and are therefore more associated with quantitative research (Grix, 2004). Yet, as qualitative studies are in need of objectivity as much as quantitative ones are, both validity and reliability are seen as relevant to the approach and are therefore discussed here (Kirk and Miller, 1986; Padget, 1998; Thyer, 2009). Nevertheless, Kirk and Miller (1986) argue that as perfect validity is not even theoretically attainable, social science research tends to rely to a far great extent on ensuring reliability of observations, even though mechanisms for securing higher validity of qualitative research is constantly pursued (Maxwell, 1992). It would be important to note that there are some disagreements on the exact meaning of both of the concepts (Maxwell, 1992; Winter, 2000), but due to the limited nature of this research they are not discussed here.

3.2.1   Reliability

Reliability refers to whether a particular research technique applied to the same phenomenon would yield the same results after repeated by several researchers (Kirk and Miller, 1986; Babbie, 2009). Thyer (2009) defines reliability in qualitative research as the extent to which the set of meanings coming from different researchers are sufficiently congruent. He further suggests that in order to increase reliability of the qualitative data researchers can have it second coded which, means that more than one researcher is coding the data which are afterwards compared for mutual agreement. As the data has been coded only to a limited extent and as second coding is a labour-intensive activity which would involve more than one researcher it goes beyond the scope of this thesis and has not been considered an option.

The fact that the interviews were recorded and literally transcribed, accompanied by the written description of the interview settings is expected to increase reliability. In addition, the fact of the matter that most of the questions were posed to all the interviewees (with variations coming from the differences in their official positions in the decision process and which particular phase(s) of the process they were involved in) should also increase the reliability. Last but not least, in conducting the interviews the interview guide was to a great extent adhered to, which would add to the reliability of the data.

3.2.2   Validity

Kirk and Miller (1986:69) define validity in qualitative research as whether the empirical measure properly mirrors the actual meaning of a phenomenon or "whether or not the researcher is calling what is measured by the right name". It is also referred to as, truthfulness or trustworthiness, as some qualitative researchers find the definition of validity in quantitative research inapplicable to a qualitative setting (e.g. Guba and Lincoln, 1989). Without going into different types of it, validity is analysed as a concept which is subject to a certain level of threat during conducting research. Padgett (1998) groups all threats to credibility and trustworthiness into three broad categories: reactivity, researcher's biases and respondent's biases.

Reactivity refers to "potentially distorting effects of the qualitative researcher's presence in the field" (Padgett, 1998:92) which might arise while conducting interviews. As the interviews are focusing on past events, no threat exists that the interviewer (researcher) is interfering with the actual situations under study. Nonetheless, as it is the case in this research, some of the interviewees were acquainted with the researcher beforehand and the interviewees' associations (with which the researcher is not familiar) might have had an effect on the interviewees' attitude and responses. However, this was very difficult to both measure and prevent. It is seen as an objective threat to validity, but is in this case almost impossible to reduce.

Researcher's biases refer to the possibility that the researcher is influenced by preconceptions and opinions he or she has about the object of study. This in concrete means that the researcher could deliberately choose informants who will support their research expectations or ask some questions while ignoring the less favoured ones, or even ignore data which does not support conclusions (Padgett, 1998). As it was already mentioned, the interviewees were selected on the basis of the level of their involvement in all the phases of the decision making process, with the aim to interview the most involved and therefore likely the most informed ones. Moreover, interviewees' availability and readiness to participate in the research was also taken into consideration, although much choice in this respect was not left to the researcher. Regarding the interview questions, they were drafted in such a way as to best answer the research question(s). As for the data interpretation, this issue is covered in Chapter 4.

Respondent's biases are unfortunately one point where the bias is most difficult to either recognise or prevent. Respondents may "withhold information and even lie to protect their privacy or to avoid revealing some unpleasant truths" or give answers they assume the researcher wants to hear (Padgett, 1992:92). Another possible threat in this category which is not mentioned by Padgett could arise due to the time distance between the moment of interviewing and the period in which the decision making studied took place (5-10 years). This in particular refers to the notion that during the interviews it was particularly difficult to know whether an interviewee remembers an event correctly or not. Although some would indicate whether they recalled or not, this was likely not always the case. Furthermore, interviewees' responses are mere perceptions of reality, or, to be more precise, of what they believed to have been the reality with respect to the issues they talked about in the interviews. Last but not least, they might also have rationalised their actions in the light of what happened and how the reality, as they perceived it, changed between the moment of the situations analysed and the actual moment of conducting the interview. Even though the data collected by using this technique is not treated as a presentation of the objective reality, but as perceptions of that reality, there is a threat to the credibility of research. In order to reduce this threat, all interviews started by the interviewer making the same introduction about the nature and scope of the study.

Finally, as already mentioned, the primary data (interviews) is methodologically triangulated with the secondary data (documents) for the purposes of increasing both reliability and validity of the research (Denzin, 1970; Marshall and Rossman, 2006).

3.3 Limitations

A few words on limitations need to be said. Two types of limitations are set forth: the limitations encountered in conducting research and the limitations of the study as a whole.

The major limitation encountered during this research was the time given for completing the master thesis which is about four months. Another limitation is concerned with the accessibility of secondary data. Even though the most important documents were available on the Internet and collected through personal contacts of the researcher, there were still some which could not be accessed for technical or other reasons. Last but not least, due to the time

constraint, not more than ten interviews have been conducted, which is considered a limiting factor.

It is also important to state that this research does not aim at generalising on the characteristics of actors which were under study. It would be important to note that some of the citations and interpretations do not necessarily reflect the worldview of all the members of either academic community, students and student organisations or state authorities. As it was already indicated in the section on validity, due to a time distance between the time when the decision making took place and the moment of interviewing, some of the observations might not be valid to the present day.

Finally, all the observations, interpretations and generalisations made in this thesis belong to the author. Likewise, all mismanagements and mistakes associated with the research are the sole responsibility of the author.

4 Description and analysis of the decision making process

This chapter is dedicated to the decision making process leading to the changes in governance arrangements brought about by the 2005 Law on Higher Education. These transformations cover both the system and institutional level, the latter being studied solely as given by the law, not individual HEIs acts, as this is part of other decision making processes and goes beyond the scope of our study. The decision making herewith analysed is a part of a broader decision making, as given in the analytical framework (Figure 2.4). This particular set of situations is assumed to be the most important one, as this is where the direction of change was set, while those coming later in the legislative process, i.e. the decision making by the Government and eventually by the National Assembly, to a great extent confirmed the already chosen version of the draft law, in particular when it comes to the provisions regarding governance.

The chapter starts with introducing the context and the content of the decision making, followed by the description of the exogenous variables, namely, social, political and economic factors of the country, the factors pertaining to the HE system and eventually the rules. Once these are presented, the decision making is described and analysed. In principle, this is approached through three hereby identified thematic arenas related to external and internal governance. These are:

- Arena 1: external governance
- Arena 2: internal governance
- Arena 3: university integration

Within each of the arenas, four action situations, in this case four working groups, have been identified to have been crucial to the actor interaction within these arenas. They are referred to as WG 2003-1, WG 2003-2, WG 2003-3 and WG 2004-1 and they followed each other in time sequence. Table 4.1 gives basic information on these working groups.

	Working groups (collective-choice situations)
WG 2003-1	- Appointed by the National Council for the Development of University Education in January 2003; - Active from January until March 2003; - The group gathered the state representatives (8) and the academic community representatives (10); - Aim: to prepare a concept on the basis of which the Ministry was to prepare the draft law; - The aim was not achieved as the University of Belgrade objected the composition of the group; - Output: minor amendments to the Ministry's Reform Concept.
WG 2003-2	- Appointed by the National Council for the Development of University Education in March 2003; - Active from April until July 2003; - The group gathered the state representatives (8), the academic community representatives (14) and student representatives (3); - Aim: to prepare a concept on the basis of which the Ministry was to prepare the draft law; - The aim was achieved, however, some academic community representatives disproved of results; - Output: the Reform Concept agreed upon by the WG.
July 2003	The National Council for the Development of University Education adopted the draft of the WG 2003-2.
Sept. 2003	- The Ministry published the first draft of the law, soon to be followed by the second, slightly, amended version (December 2003); - This draft law never reached the next stage in the legislative process (adoption by the Government) due to the parliamentary elections set for December 2003.
WG 2003-3	- Appointed by the Academic Council of the University of Belgrade in September 2003; - Active from September 2003 until April 2004; - The group gathered representatives of the University of Belgrade (13); - Aim: to amend the Ministry's draft; - The aim was achieved; - Output: the draft law on HE finalised by the University of Belgrade WG.
April 2004	- UniBG Council adopted the draft prepared by the WG 2003-3; - This draft law never reached the next stage in the legislative process (adoption by the Government).

WG 2004-1	▪ Appointed by the Ministry of Education and Sports in October 2004; ▪ Active in November and December 2004; ▪ The group gathered representatives of the state, the academic community and student representatives; ▪ Aim: to prepare the final version of the draft; ▪ The aim was achieved; ▪ Output: the final draft was agreed by the WG.
August 2005	▪ The Law on Higher Education was passed.

Table 4.1 Working groups of the decision making process

Interestingly, not all groups were appointed by the same constitutional-level structure and were thus legitimised in different ways. While the first two groups were appointed by the National Council, the third group was legitimised solely through UniBG internal decision making structures. However, the interviewed members of the group considered it legitimate, mainly due to the fact that the University of Belgrade was the oldest and the largest of the universities in Serbia (BG1, 2010; BG2, 2010; BG3, 2010; MA1, 2010; NS1, 2010). The fourth group was, in effect, the third group enlarged by the representatives (mainly Rectors) from other universities and student representatives, only now officially appointed by the Ministry. The list of actors and participants in the decision making process is given in Appendix 5.

4.1   Description: the context

In 2000, after a decade of political, economic and social isolation, the socialist regime was overthrown and a new government was in place. Economic recovery and political stability became major aims of the newly elected democratic government, while the ambition to join the European Union became one of the main items on the Government's political agenda. The Government was announcing major reforms in all fields. In 2003, Serbian minister responsible for HE signed the Bologna Declaration, by which Serbia officially joined the process.

During the decade-long period of isolation Serbian universities witnessed during 1990s, academics from various disciplines were part of informal networks in which they cooperated,

both as political activists, united against the regime, and as university professors discussing various university issues (Turajlić et al, 2004). Among such organisations were Uniforum and the Association of Professors and Researchers (Udruženje profesora i istraživača), and later the Alternative Academic Educational Network - AAEN (Alternativna akademska obrazovna mreža). One of the activates of AAEN was re-establishing connections with universities in other European countries and beyond and following international trends in HE (Turajlić et al, 2004). After the last socialist government was removed from power, the Ministry responsible for HE was entrusted to a Democratic Party[7] member, prof. Gašo Knežević, a member of AAEN, who, now as minister of education and sport, appointed prof. Srbijanka Turajlić assistant minister for higher education, one of the AAEN leaders.

Straight from the outset, the Government's "reform" narrative was also present in HE, in particular with the new ministry in charge of HE. Some of the key problems the Serbian HE system encountered, as identified by the Ministry, were that the system was, as a result of a decade of isolation among other things, inefficient, underfunded, outdated and severely lagging behind the rest of Europe (Turajlić, Babić and Milutinović, 2001). Both the state and HEIs recognised the need to change something in the HE system in Serbia, as well as to make up for the decade spent in isolation and without much contact with other members of the European HE community (Turajlić, 2004). However, as it seems, not all sides saw eye to eye on what exactly needed to be changed and how (Turajlić et al, 2004). This was in particular visible in the relationship between the Ministry of Education and Sports and the academic community, most notably the University of Belgrade (ibid; MA1, 2010; ME2, 2010; BG2, 2010; ST1, 2010; ST3, 2010).

As part of the reforms, the Ministry envisaged a change in the architecture of the higher education system, primarily by introducing changes in the types and organisation of higher education institutions, as well as by introducing new structures at the system level which were expected to enhance the performance of the system, i.e. make it more effective and efficient. Put differently, the HE reforms and the change in policy were accompanied by some new thoughts related to governance arrangements, in particular on the side of the Government, as the existing, traditional governance model was not anymore considered fit for the increasingly

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[7] http://en.wikipedia.org/wiki/Democratic_Party_(Serbia), retrieved on April 26, 2010

complex world of HE, which meant that alternatives needed to be explored (Turajlić, Babić and Milutinović, 2001).

Between 2001 and 2003, prior to the appointment of the first working group, the Ministry of Education and Sports was very active in working on reform scenarios, learning from other countries' experiences, attending international events and organising local events where HE issues would be discussed and some problems offered solutions. The academic community was noted to be active in these discussions as well (ME1, 2010; ME2, 2010; NS1, 2010; ST1, 2010; ST2, 2010).

In 2002, in order to create legal conditions for HE reforms, the National Council for the Development of University Education put in place a working group with the task to create a basic concept for the future legal framework (herewith referred to as the Reform Concept). From the beginning of the process, the academic community and state representatives were the main actors, with student representatives joining at a later stage (as per WG 2003-2). As soon as the working group (WG 2003-2) had completed its work and the NCDUE adopted its Reform Concept, the Ministry prepared and published the first draft of the new legal framework for HE, now open to a public discussion (September 2003). However, as the parliamentary elections were announced, the law was not passed to the next stage of the legislative process. Immediately after the Reform Concept was published, the Council of the University of Belgrade, not being satisfied with the Ministry's draft, decided to appoint its own working group which would look into the draft and amend it as it deemed more suitable (WG 2003-3). Nevertheless, due to a longer period of transition between the two governments, the decision making process was on hold, while the UniBG group was working on its own amendments to the Ministry's draft law.

In March 2004, the new minister of education was in the office, now coming from a differently oriented political party (Democratic Party of Serbia[8]) and with visibly less interest to interfere in HE affairs (ME1, 2010; ME3, 2010; BG3, 2010). Half a year later, in autumn 2004, the minister resigned, to be replaced by a successor with more interest in passing the legal framework, but similar level of interest as its predecessor in dealing with the matter personally (MA1, 2010; BG3, 2010). It was due to this reason that in October 2004, the minister of education officially granted the mandate to the Rector of the University of

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[8] http://en.wikipedia.org/wiki/Democratic_Party_of_Serbia, retrieved on April 26, 2010.

Belgrade to continue the work their group had already started, only with involving other universities and students in the process, in order to raise the level of legitimacy of the outcome. Immediately after this, the former member of the University of Belgrade Board and the chair of the UniBG working group (i.e. WG 2003-3) was appointed assistant minister for HE, with one of the main tasks to prepare the final draft of the law to be adopted by the Government.

Finally, in August 2005, the Law on Higher Education was passed by the National Assembly, which created the legal conditions for HE reforms and also changes in governance.

4.1.1 Exogenous variables

As already described, the exogenous variables in this study refer to (1) social, political and economic factors, (2) the factors coming from the HE system in Serbia (size, enrolments and distribution, the number and size of HEIs, organisation and governance, financing, historical legacy, path dependence, and culture, beliefs and values) and (3) rules. All three are here analysed from two points of view, i.e. interviewees' perceptions of these factors and the interpretations of the researcher based on the findings.

Social, political and economic factors

The decision making in all three arenas was reported to have been affected by several phenomena external to the HE system itself and belonging to a wider context.

Europeanisation. The pro-European political orientation of the 2001-2004 Government was noted to be present in the general HE policy approach of its Ministry of Education and Sports. Here, Europeanisation is primarily understood as "adapting national and sub-national systems of governance to a European political centre and European-wide norms" (Olsen, 2002:923). This is tightly linked to the fact that the "Bologna" agenda, aiming at creating European Higher Education Area, had been adopted by most European countries by 2002 and was as well an overarching policy in Serbian HE, even before Serbia officially joined the process (MoES, 2001; ME1, 2010; MA1, 2010; ME2, 2010; ST1, 2010; ST2, 2010; ST3, 2010). In 2003, the minister signed the Bologna Declaration which further committed Serbia to this

intergovernmental agreement. The following government (2004-2007), although less agile in the field of education, continued on the same course (MA1, 2010).

Resources. At the turn of the century the economy of the country was fragile, which also severely affected the public financing of HE and the welfare of HEIs in general. The limited resources available for HE urged those HEIs with a considerable income of their own (not allocated by the state) to be more protective of their status and property (ME2, 2010; BG1, 2010; BG2, 2010; BG3, 2010; ST1, 2010; ST2, 2010; ST3, 2010). On the other hand, the question of resources was often raised in discussion on reforms, as the reforms were perceived to lead to considerable costs which HEIs were not prepared or willing to cover. Even though the Ministry put effort into providing donor assistance and raising awareness among Serbian HEIs of possibilities offered by international projects (ME2, 2010), the question of "who should pay for reforms" remained open.

Democracy in development. Another political factor observed refers to the notion that after the political changes in 2000, democratic institutions in Serbia were in an early stage of development. Two of the interviewees noted that this made general trust in the state authorities rather weak (BG3, 2010; ST1, 2010). Besides, the lack of trust could also be noted towards the political motives of any government in place, simply because "it is a political option and, no matter which people are in it, it always strives to realise its goals in the field of higher education" (BG2, 2010)[9]. This, as perceived by the same interviewee, is infringement of university autonomy.

Country's political leadership. Some interviewees stated that the assassination of the Prime Minister in 2003, consequent elections and change in the Government affected the decision making process, in particular because it led to slowing down of the legislative process, as well as the change in the political party in charge of the Ministry of Education and Sports which ensued. While the first Ministry political personnel was more reform-oriented and in general more active in HE, the 2004-2007 Ministry was more reluctant to continue down the same path and likely confront the academia (ME1, 2010; MA1, 2010; ME2, 2010; BG1, 2010; BG3, 2010; ST1, 2010; ST2, 2010; ST3, 2010). Nevertheless, even the first Ministry, at one point in the process, started to relent the pressure on the universities, as "no authority wants to

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[9] All excerpt quotations from the interviews were translated by the author of the thesis.

have the university against itself, since the university is very loud and very respected, while every government is transitory" (ME1, 2010).

Higher education system in Serbia

Financing. With regards to the factors coming from the HE system itself, all interviewees emphasised that HE financing, mostly referring to the state funding, is one of the important issues when it comes to deciding governance. The limited financial resources directed to HE are seen as crucial by some interviewees (BG2, 2010; BG3, 2010; NS1, 2010), while the manner in which these resources are distributed was not labelled problematic by any of the interviewees. What is more, it seems that financing of HE in Serbia is inextricably linked with institutional autonomy. Namely, the HE massification and the increase in demand for HE which started at the end of 1980s, led to the increase in enrolments in public HEIs, establishing of first private HEIs and more private contribution to HE, mostly provided by students through tuition fees. Ivošević and Miklavič (2009) referred to this phenomenon as "hidden privatisation". However, not all universities and faculties increased enrolments and tuition fees at the same pace, as not all were equally attractive or equally eager to do so. In parallel, the state funding, however, did not follow this trend which was resolved through giving more financial autonomy to universities in terms of enrolments and setting tuition fees. In addition, many faculties had their own properties obtained through donations, dating mostly from the pre-World War II times, from which they could accumulate additional income (MA1, 2010). Therefore, the situation with respect to the financing at many faculties in Serbia at the turn of the century was rather diverse and this has not changed much until the present day (Babin and Lažetić, 2009). Moreover, a few interviewees indicated that a distinction can be made between "rich" and "poor" faculties and that this was directly linked with their positions with regards to HE governance, financing and their appreciation of the institutional autonomy in the decision making process (MA1, 2010; BG2, 2010; BG3, 2010; ST3, 2010; ST3, 2010).

Institutional landscape. According to all interviewees, the number of students enrolled and the number of faculties in the first place, was a very important factor in the decision making process, and it was the key argument for the University of Belgrade to claim "a special treatment" in terms of the number of representatives in the first two working group (WG 2003-1/2). Another argument supporting UniBG demands was that this university is the oldest

(MA1, 2010; BG1, 2010; BG2, 2010; BG3, 2010; ST1, 2010; ST2, 2010; ST3, 2010), the best (BG2; BG3; MA1) and all other universities in Serbia originated from this university.

> *The University of Belgrade is, above all, a very old institution and it is also the central cultural institution in modern Serbia, practically since it was established 200 years ago [...] It is the main intellectual core of the country and it has to be protected as such.* (BG2, 2010)

Throughout the process, the role and position of this university proved to be indeed "central".

Another point of division was public vs. private HEIs, which were by the 2005 law recognised as equal in status and subject to the same "rules of the game". Nonetheless, some of the interviewees pointed out their status in the decision making process was not the same (BG2, 2010; BG3, 2010). In 2008, around 7% of all students in Serbia were enrolled in private HEIs (Ivošević and Miklavič, 2009), even though there were 7 private and 6 public universities in Serbia. In 2003 this percentage was even lower and there were fewer private HEIs[10]. Similarly, post-secondary vocational institutions, although regulated by the 2005 LoHE, were not enjoying the same status in the decision making as public universities, due to the fact that they were not part of the HE system before the law was passed (and during the decision making) and before they became accredited (BG3, 2010).

History. Another external variable refers to the relationships in the past between the state and higher education, which was also mentioned in the previous section (*Social, political and economic factors*), although here it refers solely to the previous governance arrangements and authority distribution *within* the HE system. Here, two points are of relevance. The first point refers to the authoritarian regime and the state control with respect to higher education, in particular until the dissolution of SFRY, while the second refers to the law on University from 1998, which has already been mentioned above as a most repressive legal measure employed against the university's political activism during 1990s and therefore a severe attack on its autonomy. Both are recognised by some of the interviewees to have had affected their preferences over the level of state involvement in HE governance at both system and

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[10] Until LoHE was passed in 2005, there were many private faculties which were not part of any university. As the Law does not allow faculties to exist without being part of a university, many of these have joined and created private universities. In a similar manner, there were also private post-secondary institutions which, after they were accredited by the 2005 law, became vocational HEIs.

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institutional level (BG2, 2010; BG3, 2010; MA1, 2010). Interestingly, some interviewees saw the 1990s primarily as a period of isolation of Serbian universities from the rest of the world (ME1, 2010; NS1, 2010), while others remember it mainly as a period of state repression and violation of university autonomy (BG1, 2010; BG2, 2010; BG3, 2010; ST1, 2010).

Path dependence. It is also assumed that the scenarios for new governance arrangements are limited by the nature of the existing governance arrangements. As change is always seen as relative to the existing state of the art with regards to a certain matter, old governance arrangements function as another factor affecting the direction taken with regards to new governance. This "causal relevance of preceding stages in a temporal sequence" is in social sciences referred to as path dependence (Pierson, 2000:252). Put it simply, this means that events which took place at earlier points in time might affect the events at later points in time. Pierson asserts that although previous events do influence paths and outcomes, this does not mean that the trajectory will not change at a later point. This, in effect, can also indicate the relevance of the path taken at an earlier point, since it is assumed that "we cannot understand the significance of a particular social variable without understanding 'how it got there' – the path it took" (Pierson, 2000:252).

Relations among actors. The relationship between the actors after the democratic changes in 2000 is also noted to have affected the action situation when it comes to governance. Namely, in the period between 2001 and 2003, before the first working group was appointed, HE reforms and Bologna process had been one of the most discussed matters among the interested parties. However, this was not experienced in the same way by everyone and not all parties to the matter were enthusiastic about reforms, rather on the contrary. An interviewee asserted that this also polarised the academic community, the Ministry and students into two groups: "the reformist" and "the conservatives" (BG1, 2010). The 2001-2004 Ministry, students and the University of Novi Sad were considered more reformist, while the leadership and some prominent scholars from the University of Belgrade more "conservative" (BG2, 2010; MA1, 2010; ST2, 2010). As regards other participants in the decision making, they were noted for the tendency to align with either of the sides (MA1, 2010; ST2, 2010), depending on the context, which could indicate that they were more moderate in their positions and more reluctant to confront. Interestingly, the interviews conducted suggest that neither "reformists" nor "conservatives" were as extreme in their positions as the interviewees belonging to "the other side" would report. For instance, the Ministry's ambitions regarding reforms were

regarded as "an extreme-fundamentalist-Bolognist" (BG1, 2010), as well as "aggressive" and "reckless" (BG2, 2010), while this was not the impression of the researcher, based on the interview with the Ministry representatives. It would be important to reiterate that this could be due to time distance from the present moment. It could be, however, argued that the perception of the actors with a different attitude towards reforms could have acted as a factor in the decision making process. In concrete, if a university representative perceived the minister's reform plans as a potential threat to the university, it is likely that this university representative would see all actions of the Ministry in the light of this, regardless of how "threatening" they actually were. An interviewee argued that many university professors felt indeed threatened by the initial reform plans of the 2001-2004 Ministry, which affected the dialogue between the state and the academia in general (MA1, 2010).

However, in autumn of 2003, as parliamentary elections became inevitable, the reform discussions were put on hold, even though the Ministry tried to prevent this situation from slowing down the decision making process (ME2, 2010). In the meantime, the University of Belgrade became occupied with the draft law and, according to some of the interviewed (ME1, 2010; ST2, 2010), rather privately and with little transparency, which meant that the decision making process was in that period practically taking place "within the walls" of the University of Belgrade (ME1, 2010; ST2, 2010; ST3, 2010) (see Appendix 5). It was not until one year later (October 2004) that the Ministry of Education and Sports, now led by a different political party, was again involved in the decision making process, although even then rather modestly. Finally, while the previous Ministry was described as "too radical" and "assertive" in its reform ambitions (BG2, 2010), the Minister in charge of HE in 2004-2007 period was thought "very considerate" (NS1, 2010) and "a great minister" as he was "respectful of university professors" (MA1, 2010). All these are considered to be important elements for the decision making process, as they had an impact on the relationships between the actors.

Tradition. Tradition was another phenomenon recognised by some interviewees as relevant for their positions. In concrete, tradition is hereby understood a set of customs and beliefs passed from generation to generation. Universities in Serbia seem to have a relatively strong sense of tradition and this "sense" can as well act as insulation that protects the knowledge community from external attempts to inflict change upon them. In the view of some

interviewees, tradition is also believed to be something good, of high quality and in need of protection (BG2, 2010; MA1, 2010).

Often mentioned during interviews, tradition is understood as something that is intertwined with collective identity and therefore needs to be protected from potentially harmful external forces:

> *There were both sceptics and those who wanted reforms at all costs, in other words, there were those who were extreme reformists and those who wanted to stick to the tradition and perhaps change at a slower pace.* (NS1, 2010)

The so-called "conservatives" were recognised to be more in line with these beliefs on tradition and its importance:

> *...This group of people at that time felt that the introduction of the principles of the Bologna Declaration would destroy what was the best and most valuable of Serbian science. I am one of those who still think this way.* (MA1, 2010)

The academic community, the interviewee noted, is recognised as "a structure which rests on a long tradition and it needs time to process and shape a new idea" (ibid). This notion is very much present in the literature on higher education. Clark (1983:183) notes that being deeply institutionalized, "the knowledge institution" is "full of constraints upon change" and academics are notorious for their resistance to externally imposed demands:

> *The University of Belgrade was against all external political reforms. Reforms are not bad as such, but they should come from within.* (BG2, 2010)

> *I thought that changes were needed, but I felt that the change should be bottom-up and that faculties and their councils should make proposals and give specific measures that could improve their work.* (MA1, 2010)

Put differently, tradition was seen as directly threatened by the reforms and the Bologna process. However, it was also argued that tradition was used as a pretext by those who objected reform initiatives due to other reasons:

> *...Of course that many felt threatened by the reforms, so they tried to protect their positions by claiming to be defending Serbian tradition and culture.* (MA1, 2010)

Be that as it may, tradition, culture, values and beliefs are important factors affecting decision making in general and, as argued by Clark, in academia in particular.

Rules

Ostrom identifies two types of rules, rules-in-form (formal rules) and rules-in-use (informal rules). Both types of rules can be external (generated externally, at the constitutional level) and internal, formally generated within the group or only reported to have informally existed. Here we treat externally generated rules as rules-in-form, while internal rules are rules-in-use. Table 4.2 gives an overview of the types of rules given by Ostrom.

Regulated component of an action situation	Type of rules	Rules-in-form	Rules-in-use
Position	Position rules	yes	yes
Participants	Boundary rules	yes	no
Actions	Choice rules	yes	yes
Control	Aggregation rules	yes	yes
Information	Information rules	no	yes
Costs/Benefits	Payoff rules	no	yes
Outcomes	Scope rules	yes	no

Table 4.2 Formal and informal rules in the decision making process

The rules which are identified to have been generated only externally are *boundary* and *scope rules*. In other words, within the scope of its activities, a working group could not decide on who were the actors and participants and what was the content of the internal discussions of the group, as this had been formally predecided at the constitutional level.

On the other hand, *position*, *choice* and *aggregation rules* were all both formal and informal. Positions could be decided at the constitutional level, but also within the group. For instance, the chair of WG 2003-1 was decide by the NCDUE, but according to the notes, other members of the group were at some points co-chairing, which was internally decided (MoES, 2003b). Similarly, all participants other than chair could officially enjoy the same status, but in practice their positions varied, such as is the case when in WG 2003-2 students were considered equal member, but in practice their standing was not the same as the standing of a UniBG representative (BG2, 2003; ST1, 2003; ST2, 2003; ST3, 2003). As regards the choices of participants, they were normally limited by the formal rules, but could also be framed by

the group itself, or even not framed at all. When it comes to the aggregation rules, it could be argued that certain rules of this type were made at the constitutional level of the first two action situations, i.e. in the NCDUE, that affected the work of the group. In concrete, the University of Belgrade was by this body recognised as an actor whose positions needed to be taken into consideration, regardless of the positions of other actors (ME1, 2010; BG3, 2010). Aggregation rules could also informally exist within a group. It could be said that within every working group all participants nominally participated in the same choice, however, not all the voices were taken to have the same weight. For instance, students' positions were taken into consideration when student-related matters were discussed, such as student parliament or the role of student representatives, but not necessarily when issues related to e.g. staff promotion or accreditation. It would be important to note that the number of participants per actor was in this and similar cases very important, as, e.g. students would end up outnumbered by academics whenever they would propose a solution not acceptable for most of the academics (BG2, 2010; ST2, 2010; ST3, 2010).

As regards the *information* and *payoff rules*, even though the actors were in general aware of others' potential moves and costs/benefits calculations, the logic behind individual moves was not always clear to all the participants. Also, discussions and likely negotiations happened alongside the official meetings of working groups, to which some of the participants did not have access and were not familiar with the content of discussions (ST2, 2003; ST3, 2010). This is assumed to have as well affected the information flow among the participants and their familiarity with others' intentions and rationales.

As it appears, rules were not constant throughout the process and it is evident that the change in the type of the constitutional level (described at the beginning of Chapter 4) did affect interactions inside working groups. Furthermore, in spite of their vagueness, rules-in-use were no less important for the decision making process than the formal ones.

4.2   Description: the content

The content of the decision making process as analysed here is governance, as stipulated in the legal framework. However, the scope of the working groups' activity was not only deciding on governance arrangements, and it covered other aspects of HE which were to be addressed by the HE law: studies, curriculum, quality, scientific work, enrolments, funding,

autonomy, staffing, promotion etc. These would not be given particular attention in this study, unless they are relevant to the governance related decision making process analysed. It is important to note that it was foreseen that the law would facilitate HE reforms in line with the Bologna process. This approach could be observed in almost all documents issued by the Ministry in the period 2001-2004 (e.g. MoES, 2002).

With respect to the content of the decision making on governance, both governance at the level of the HE system and HE institutions were subjects of the decision making. In addition, the internal organisation of universities, in concrete, the relationship between the university and the faculty is observed, as this is closely linked with institutional governance and thus deserves to be properly analysed. Finally, the three arenas of decision making (external governance, internal governance and university integration) are put forward in addressing the research problem.

In the next part of the chapter, the major arenas of debate in the decision making process, as identified by the researcher, are presented. Among the three, the university integration was the most disputed one, followed by the debate on the composition and competences of governance structures of HEIs and finally the external governance structures.

4.2.1   External governance: the role of the buffer

With respect to governance at the level of the HE system, six new bodies were institutionalised by the 2005 LoHE:

- National Council for Higher Education (NCHE)
- Commission for Accreditation and Quality Assurance (CAQA)
- Conference of Universities
- Conference of Vocational HEIs
- Conference of University Students
- Conference of Vocational HEIs Students

As the National Council existed before, this body is not regarded as entirely new, which is why it is considered re-institutionalised, rather than institutionalised for the first time. As described in Chapter 1, NCHE and CAQA are clear examples of system-level bodies, while the conferences are closer to being perceived as networks of their respective institutions or

student parliaments. Nevertheless, all six are, by the law, operating at the level of the HE system.

The idea to introduce the National Council for Higher Education, different in its role, composition and competences from the one which already existed (NCDUE), first appeared in the Reform Concept document (MoES, 2003e). The Ministry justified the existence of this buffer by the need to secure the realisation of common interests of higher education institutions and the state, as well as solving potential conflicts (MoES, 2003d). The idea was also shaped by the experiences from other countries having this kind of structure, which would at the same time be a buffer and an expert body whose prime responsibility would be to shape HE policy (ME1, 2010). However, the idea of the 2001-2004 Ministry with respect to this body was not entirely followed throughout the end of the decision making, as many compromises needed to be made due to conflicting preferences (ME1, 2010). At an early stage it was suggested that this body be appointed by the Government, and that students and the state were seen as a part of it. However, this idea was never accepted. From the very beginning the academic community representatives insisted that prominent university professors be in the National Council, which would act independently from the state (ME1, 2010). The academic community justified this by the need to protect the university autonomy from decision making processes taking place outside its walls and making sure that these decisions were taken in line with the interests of universities, in particular the University of Belgrade (BG2, 2010). This position regarding the role of the National Council was also shared by the interviewee from the 2004-2007 Government (MA1, 2010).

Regarding the composition of the NCHE, even though not more than 12 of its members are academics nominated by conferences, there is a possibility that this body is entirely populated by academia representatives (see Appendix 3). In concrete, the remaining four of its members (not counting two student representatives in), i.e. "prominent scientists or scholars, cultural figures, educators, artists or businessmen" can hypothetically be also academics, only appointed by the competent governmental authority[11]. The 2/3 majority was rationalised by the understanding that the university autonomy needed to be protected by a buffer from the

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[11] From the 2005 law (Art.10/1/3): *four members shall be appointed from among prominent scientists or scholars, cultural figures, educators, artists or businessmen, three of them at the proposal of the Government of the Republic of Serbia (hereinafter referred to as the Government). One of the three shall be the representative of Kosovo and Metohija from the University in Pristina based in Kosovska Mitrovica, while the fourth shall be appointed at the proposal of the competent body of the Autonomous Province of Vojvodina.*

possible abuse of power by the state, as "the university autonomy has this ability to prevent radical changes from happening, and this is a positive thing" (BG2, 2010). According to the same interviewee, when it comes to the National Council, the idea of the 2001-2004 Ministry, was "to take the university governance away from the university itself", which is why it was of utmost university interest to have renowned academics in majority in this body (ibid), as well as it was crucial to have the academics run higher education, not politicians (MA1, 2010). "National Council should be independent, not a state body, as it had been in earlier times" (BG1, 2010). However, as it could be inferred from the interviewees and the documents, securing the autonomy of HEIs was one of the priorities for the 2001-2004 Ministry as well (ME2, 2010; MoES, 2003a). Yet it seems that this was not perceived as such by some of the academics.

With respect to the accreditation body, the idea came as a part of Europe-wide trend in introducing quality assurance as sine qua non for European higher education and it was also linked to the Bologna process. Although it was generally agreed that this body was to be independent, the understanding of "independent" was not equally shared by all actors. For instance, for an academic community representative, "independence" referred to the independence from the state, not from higher education institutions (BG1, 2010; BG2, 2010), while both high Ministry officials interviewed argued that the accreditation body should be independent from HEIs as well, in order to be objective (ME1, 2010; MA1, 2010). Moreover, it was argued that "an agency is governmental, parliamentary or ministerial, but not university" and it means that "the authority is imposed from the outside" (BG2, 2010). Which, again, disregards the concept of an agency as such.

Interestingly, the high Ministry official in the first government was of the opinion that having an independent accreditation body was indispensable (ME1, 2010), while her follower argued against having such a body at all, as the country had no expertise needed at the time: "there was no one who would give up the university career and run an independent agency like that" (MA1, 2010), assuming that someone without experience in academia would not be competent for such a position. Finally, an interviewee argued that it was due to the fact that the accreditation body was not completely independent that its title in the end was not Accreditation Agency, as initially planned, but Accreditation Commission (BG2, 2010).

It would be important to mention here that in parallel with the activities of the first three working groups, there was an ad-hoc accreditation body appointed by NCDUE, which was

not envisaged by the law (LoU 2002). As there were many new private HEIs applying for the work permit to the Ministry, the Ministry recognised the need to establish some procedure, as such did not existed at the time. Nevertheless, an interviewee suggested that the work of this body had affected the idea of having an accreditation agency in a negative way, as many university professors were not satisfied with its work and know-how: "if you evaluate something you need to have some expertise on how to do it" (MA1, 2010).

Regarding the role of students in the NCHE, they are present with two representatives, without a right to vote and only allowed to discuss on a limited set of issues, related to the role of students in the accreditation procedure. Student representatives in the working groups were not satisfied with this, but they, as stated, could not do more as their power in the decision making was always limited (ST1, 2010; ST2, 2010; ST3, 2010). On the other hand, the interviewed academics shared the idea that students should participate in governance, but only in certain matters. According to the law passed, the matters in which student representatives in NCHE can participate are almost entirely related to internal assessment of HEIs (i.e. in the accreditation process) and even here students cannot vote but only discuss (LoHE, 2005, Art. 11 and 22). Student involvement was according to some academics a positive thing (NS1, 2010), while some others saw it as a threat for the students, as they could be "easily manipulated" (BG2, 2010).

With respect to the conferences, it would be interesting to bring up the following formulation given by the 2005 LoHE:

> *Universities referred to in paragraph 2 of this Article shall have the right to delegate an extra representative each to the Conference of Universities for every 1,000 teachers and associate teachers and to delegate an extra representative each to the Conference of Universities for every 5,000 students.* (LoHE, 2005, Art. 18)

This formulation clearly benefits large universities, i.e. those with many teachers and students, in particular the University of Belgrade which enrols around one third of the entire student population in the country[12]. This was first introduced in the first draft of the law in 2003, though the number of students was not a factor, while the number of teachers was 1.500. This was later in the WG 2003-3 altered to 1.000 teachers and 5.000 students, which increased the

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[12] According to the Activity Report of NCDUE (2004), the University of Belgrade enrolled 50% of the entire university student population in Serbia in 2003.

percentage of votes pertaining to the UniBG. University of Novi Sad did not agree with the notion that the number of students should be a factor, though this was not accepted by the rest of the WG 2004-1 (NS1, 2010). An interviewee observed that other universities "considered it inappropriate to openly show their disagreement" with the University of Belgrade (ME1, 2010), as they did not want to oppose this university. On the other hand, this decision was fully legitimate to the University of Belgrade representatives:

> *A university which was recently founded and has one thousand students in total cannot have the same number of votes as a university which is 20 or 50 times bigger. That is a reality of life.* (BG3, 2010)

As for the involvement of other stakeholders in system-level governance, apart from the four members of the National Council which could in theory represent third-party interests (such as the business sector or cultural institutions) and the student representatives, no other stakeholder involvement is secured by the 2005 LoHE. The high Ministry official from the 2001-2004 Government observed that the level of stakeholder involvement prescribed by the law "cannot even be called stakeholder involvement", as no other stakeholders but those who had already been there before were represented in this body (ME1, 2010). The interviewed representative from the University of Novi Sad explained this by the fact that at the time when Serbia was still early in its democratic course, it was not possible to determine who were the stakeholders to be involved and this was left to be decided at a later point (NS1, 2010).

Finally, as it appears, the third working group (WG 2003-3), also known as "the working group of the University of Belgrade", was against any interference of the state in academic matters. This was explained by a member of the group in the following way:

> *The group, consisting of people who remembered Milošević's[13] days very well, feared* [these days could repeat]*, and regardless of the intentions of the government in place at the time, it was needed to set institutional guarantees that would prevent the state from interfering with academic autonomy*,

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[13] Slobodan Milošević (1941 - 2006) served as the President of Socialist Republic of Serbia and Republic of Serbia (1989 – 1997) in three terms. He was also President of the Federal Republic of Yugoslavia from (1997 – 2000).

while the 2001-2004 Ministry was seen to have "underestimated possible damage which the state could cause to the university community" (BG3, 2010).

According to the decision makers in the final phase of the process, the role of new external governance structures is inextricably linked with institutional autonomy and, what is more, one of their main purposes is precisely this – to act as a "buffer" between the state and its potential abuse of power, on one hand, and institutions of higher learning, on the other. Or, as Neave referred to it (1997:193), "to act as a shock absorber between the short-term pressures of partisan politics and the more delicate, because more difficult to maintain, long-term concerns of scholarship".

4.2.2 Internal governance: who governs?

The discussion on internal governance arrangements were mostly concentrated around the composition and competences of the Board and Council (both at the level of faculty and university).

As already indicated, interviewees would give the 1998 law as an argument for the necessity to secure institutional autonomy from possible repressive governments (MA1, 2010; BG2, 2010; BG3, 2010). It is due to this reason that the notion of "autonomy" was without exception among some of the interviewed academic community representatives observed exclusively as related to the state – HE relationship: autonomy "protects universities from the state's abuse of power" (BG2, 2010).

It was precisely this rationale that was given to support to increase in the number of members in HEIs Boards which are appointed by the HEI itself, from one half, as envisaged by the 2003 draft law, to two thirds, as it was later amended by WG 2003-3 and then confirmed by the last WG (BG1, 2010; BG2, 2010; BG3, 2010). Namely, the current HE law stipulates the following:

> *The representatives of the higher education institution shall make up two thirds of the total number of Board members referred to in paragraph 1 of this Article, rounded off to the closest odd number. The representatives of students and the representatives of the founder shall be represented with an equal number of members up to the full assembly.* (LoHE, 2005, Art. 52)

Whereas the drafts prepared by the 2001-2004 Ministry's suggested one half instead of two thirds. This change is obviously benefiting HEIs, though the students were quite dissatisfied with this solution (ST1, 2010; ST2, 2010; ST3, 2010). As for the state, the 2004-2007 Ministry did not object this scenario (MA1, 2010). In referring to this matter an interviewee noted:

> *I am of the opinion that the university is a conservative environment and this is good. An autonomous and conservative, which means that external shocks cannot make significant changes. Simply put, it is stable in its course and all changes should take place gradually. If proven necessary, they will find their way at the end of the day. [...] If the university was in crisis, as it was, the reason for this was not the university itself and its internal organisational structure, but the socio-political circumstances.* (BG2, 2010)

For some academics involved in the process this was apparently vital, also due to the fact that the Board was the one to appoint Rector and Dean, both of which were leading figures in their HEIs:

> *If majority in the governing structures is not appointed by the university it means that the autonomy is automatically violated. The election of the Dean and Rector must be in the hands of the university, one way or the other.* (BG2, 2010)

Students were the ones most severely opposing this arrangement, though this was in vain, at least when it comes to this legal framework. Students, whenever present in the working groups (WG 2003-2 and WG 2004-1), would argue for the maximum possible participation of student representatives (ST1, 2010; ST2, 2010; ST3, 2010). However, as previously indicated, they would be easily outnumbered in votes.

Another point of disagreement with students was the percentage of student representatives in the professional body, i.e. the Council. Students in the WG 2004-1 insisted on having <u>at least</u> 20% of members of the Council in discussions related to quality assurance, the reform of study programmes, analysis of efficiency and determining the number of ECTS credits[14]

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[14] ECTS - The European Credit Transfer and Accumulation System is a student-centred system based on the student workload required to achieve the objectives of a programme, objectives preferably specified in terms of the learning outcomes and competences to be acquired."; definition retrieved from http://ec.europa.eu./education/programmes/socrates/ects/index_en.html, on April 25 2010.

(Studentske organizacije, 2004). This was rejected and it remained that students have up to 20%, and left this to HEIs' statutes to define.

With respect to competences of the Board, the Council and Rector/Dean, few things have changed if compared to 2002 LoU. Interestingly, the WG 2003-3 amended some of the competences foreseen for the Board in the 2003 draft law, while at the same time adding new competences to the Council. The Board still adopted the statutes, selected the executive officer, adopted financial plan, activity report and the annual balance sheet, adopted the investment plan and decided on the amount of the tuition fees. Nonetheless, all these had to be first proposed by the Council, which was not envisaged in the 2003 draft law prepared by the 2001-2004 Ministry. These provisions were kept until the end of the process and are part of the law now. In other words, the power of the academic staff slightly increased in this process, both at the level of faculty and university. In the case of university this was explained as a need to enable faculties to protect their own interests, since this Council was then seen as a body composed of delegates from the academic bodies of individual faculties (BG3, 2010). Even though the composition of the Council was not prescribed by the law, the tradition of having faculty deans and professors in the University Council was retained in the university statutes (e.g. Univerzitet u Beogradu, 2006; Univerzitet u Novom Sadu, 2006; Univerzitet u Kragujevcu, 2010). This combination of management and professional functions within a body which is by definition professional (the Council), on one hand, and the co-decision competences on non-professional matters shared between the Council and the Board, on the other, indicates that the role of the two is somewhat intertwined and not clearly divided both by the law and in practice.

The institutionalisation of student parliaments was recognised by the interviewed student representatives as one of the most important achievements of students in the decision making process (ST1, 2010; ST2, 2010; ST3, 2010). According to an interviewee, apart from being a means for voicing student interests, student parliaments at all faculties and universities were as well important for two student organisations which participated in the decision making process, the Student Union of Serbia (SUS) and the Belgrade Student Association (BSA) (ST1, 2010; ST3, 2010). By establishing student parliaments, SUS and BSA, as well as others, would need to channel their interests through these bodies and thus increase legitimacy of their activities (ST3, 2010). However, the actual competences of parliaments are very limited,

as they do not have power to set in place or prevent any measure, be it of more or less relevance for students, unless this is supported by the professoriate.

Regarding the involvement of other stakeholders, the case of the institutional level was the same as of the system level: not all parties to the decision making showed interest in institutionalising stakeholder participation in institutional governance. While on one hand, this hindered the general idea of stakeholder involvement (ME1, 2010), on the other it was not clear then who these stakeholders, apart from students, could be (NS1, 2010).

Similarly to the case of external governance, institutional governance was as well observed to be inseparable from the notion of institutional autonomy. If these two levels were placed against each other, an interesting observation could be drawn: seemingly, the professoriate strived to create a "double buffer" in order to secure as much autonomy as possible: an external one, in the shape of new bodies at the level of the system, almost entirely colonised by academics, and an internal, less visible one, permeating all structures of internal governance, except for the student parliament. Yet the student parliament has arguably too little power to affect the everyday business at Serbian higher education institutions.

4.2.3   University integration: centralisation vs. decentralisation

The issue of the relationship between the university and faculty was recognised by all interviewees as the most disputable topic in this decision making process, in particular in the first two working groups (WG 2003-1/2) when the MoES launched the idea to integrate all faculties of a university in a single legal entity, which would mean that the faculties would no longer be as independent as they had been up to that point. University integration was also recommended by the European University Association (EUA) which produced a report on the actual situation in all five public universities in Serbia existing at the time. Among other recommendations, the EUA report also suggested that:

> *This move* [integration] *must come from a top-down legislative decision, since there are too many vested interests in the current fragmented structures for this radical change to be possible as an initiative from within the university only.* (EUA, 2002:6)

However, the idea to integrate faculties into one single legal entity (university) was by far the most criticised proposition. The loudest opponent to this idea was the University of Belgrade,

which was reported by all interviewees and could also be concluded from the WG 2003-1/2 meeting notes (MoES, 2003b), as well as other documents circulating at the time (e.g. Filozofski fakultet, 2003).

The proposition to integrate universities, and by doing so take the legal independence away from faculties within universities, was based on the assumption that universities would be run more efficiently if more centralised, however,

> *...this idea was not fully supported by anyone [...] not just the University of Belgrade. I think this buried the entire higher education reform process in Serbia. You cannot reform the system with disintegrated universities, because Serbia does not have seven universities, but Serbia has around 100 universities, as every faculty is a university in itself and there is nothing one can do about it.* (ME1, 2010)

The core problem with respect to internal university organisation was, in effect, the problem of the legal status of faculties. As described in Chapter 1, faculties in Serbia have long enjoyed independent legal status, while the university level was reduced to a mere administrative centre, without much power over the faculties. Furthermore, by 1992 and 2002 university laws all governance structures at both university and faculty levels were elected, rather than appointed. The exception since 1990 was the 1998 Law on University and this was due to political reasons of the regime of the time.

Judging by the interviews, the rationale for opposing the idea of university integration was twofold. The first argument refers to the feasibility of running a university efficiently from one centre:

> *The University of Belgrade is too complex and too complicated to be run from one centre, the Rectorate. [...] the model itself is not an issue. A university can be integrated if it was founded as such. [...] Belgrade University is an old and big university, physically stretching across several campuses.* (BG2, 2010)

Even though several interviews stressed that the University of Novi Sad was more in favour of having an integrating university, the interviewee from this university pointed out that integration and full centralisation are different concepts: "Integration is not centralization and it would not be good to centralize the university. I'm afraid that it would have equally bad consequences as the fragmentation of the university" (NS1, 2010). However, introducing legal

mechanisms that would enable universities to decide by themselves the extent to which to integrate their faculties appears to have been the point of consensus (BG1, 2010).

The second rationale offered for resisting the integration process was the one of resources, explained in 4.1. According to this logic, the diverse financial situation across Serbian HE landscape was challenged, as some of the faculties which had in earlier times accumulated considerable income, mostly from tuition fees or commercial services, felt threatened by the possibility to lose their own property should the university become legally integrated (MA1, 2010; BG3, 2010). During the first working groups, the Ministry argued for adopting the concept of integrated university, which was, according to an interviewee "consistent but not possible" due to the financial interests of some "important" faculties. (MA1, 2010)

On the other hand, as stated, the Ministry did not offer any alternative with respect to funding arrangements:

> *One of the main questions was, as it seemed, how to solve the problem of functional integration of universities, and not jeopardise funding sources at the disposal of individual faculties.* (BG3, 2010)

The same interviewee also argued that even though it seemed that the mostly "rich" faculties were opposing the Ministry's intentions, "poor" faculties were as well not inclined towards this idea, as they considered this a threat for their autonomy.

It would be important to note that this debate triggered a lot of discussion aiming at finding the best possible solution for the university organisation, in particular for large universities. For instance, the Ministry and the University of Novi Sad were arguing for the so-called "integrated" university, while the University of Belgrade argued for the "federal" university, which would be an even looser structure than the one found in public universities at the time.

Eventually it was decided to introduce the concept of "functional integration", which was defined as "a middle ground between the old system, in which you had full decentralization and most of the power in the hands of faculties, and a solution offering absolute centralization which is unsuitable for big universities, such as Belgrade and Novi Sad" (BG1, 2010). Functional integration means that some of the competences which previously belonged to faculties were now transferred to the university level. The 2005 LoHE contains an article defining the "integrative" function of university, stating the following, among other things:

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The university shall integrate the functions of all the institutions and units that it comprises, particularly the faculties, by conducting unified policies aimed at continual promotion of the quality of courses and improvement of scientific research and artistic creativity. (LoHE, 2005, Art. 48)

However, the high Ministry official from the 2001-2004 Government argued that this novelty made little or no impact on the level of integration of universities and consequently for the implementation of HE reforms (ME1, 2010; ST2, 2010).

Yet it remains unanswered to what extent these provisions have actually unified a university and, what might be even more relevant, in what ways and whether at all they have facilitated HE reforms, initiated by the Ministry of Education and Sports back in 2001.

In spite of the many indicators pointing in both directions, it is not entirely clear which of the two rationales ("feasibility" or "resources") can better explain the underlying motive of the academics being persistent in striving to preserve the legal independence of their faculties, or whether there was a third, more secluded rationale. Hence, it is not unlikely that a confluence of these two and possibly other, more or less transparent, motives was responsible for the final scenario.

4.3   Analysis: factors, actions and interactions with respect to the three arenas

It can be concluded that all three arenas were subject to the workings of exogenous variables, however, not all in the same manner, to the same extent and by the same variables. For instance, while mutual actor relations both inside and outside action situations seem to have had an effect on the outcome of the decision making process as regards all three arenas, the effect of HE financing situation, for instance, varied.

Importantly, it could be noted that rules, in particular formal, affected all arenas in a similar fashion, as they determined the composition of the groups, their scope, available actions, etc. and in that way affected the arenas' internal dynamics. In concrete, the fact that not all working groups were composed of the same participants was of relevance for the decisions taken and the output of the group's work. This is in particular visible when the decisions of

different working groups are compared. For instance, since the WG 2003-3 was the least diverse one and was composed of the University of Belgrade representatives only, its decisions were clearly more in line with UniBG's interests than it was the case with the previous working groups which had been more diverse. Simultaneously, rules-in-use were also directing action, though in a less transparent manner, but likely not with less intensity. For instance, implicit rules about which actor's position counted more and who had the right to speak on certain issue and who had not were of undeniable relevance for the outcome of the decision making.

4.3.1   External governance: the role of the buffer

With respect to the system-level governance transformations, several exogenous variables were at work in affecting the direction of decision making. One of them is the impact of European trends in the domain of quality assurance on Ministry's initial reform concept from the beginning of 2003. Student participation was as well encouraged by international institutions and organisations, which had an effect on introducing student parliaments in Serbia. However, it must be noted that this acted in confluence with an increasingly active student body in Serbia, starting from the student protests against the regime throughout 1990s. Nonetheless, even by introducing Student Conference and securing two places in the NCHE for student representatives (without vote and limited participation), the actual power of students over HE affairs remained rather limited.

Further to this, the notion of young and yet insufficiently developed democratic institutions at the time, in combination with still fresh memories from the state's repression of the university, seemingly played the role in making the academics more weary of the state's intentions, regardless of which political option was behind them. This "atmosphere of weariness" could also be noted in the composition and competences of the NCHE and CAQA. Last but not least, the diverse institutional landscape and unequal status of higher education institutions, with a clear domination of the University of Belgrade in various ways, was crucial to the composition of the Conference of Universities.

In sum, even though the transformations were inspired by European trends, this influence was of a limited outreach, as the local dynamics in the actor interplay set the final contour of the system architecture and the distribution of authority. The fact that the academia penetrated the

system-level and even earned itself a notable role in system steering is a clear indicator of how the authority at the system-level of Serbian HE was redistributed in the decision making process: away from the state and towards the academic rule. Nonetheless, albeit various structures appeared at the system level for the first time, the Serbian case could not be labelled multi-level multi-actor governance stricto sensu, as no significant change in the actor constellation variety was brought by the 2005 law.

4.3.2 Internal governance: who governs?

Regarding internal governance arrangements, it can be noted that the persistence of the academics in the decision making process in having majority in the HEIs Board was justified by the need to secure institutional autonomy and minimise the political and other undesired external influence on HEIs. However, this could have also been linked to the internal financial operations of faculties and their reluctance to risk their own income. Furthermore, assigning the role to the Council to propose matters not always related to strictly academic issues (such as tuition fee level, investment or financial planning), contrary to what the first draft law had suggested, could be an indicator of the ambition of the professoriate to reaffirm its role as the ultimate manager of higher education institutions. At the university level, where the Council is the body in which faculty Deans meet, this could be an indicator that the faculties aspired to the role of the ultimate manager of the university.

Even though the underlying rationale might be different, the 2001-2004 Ministry argued for more autonomy for HEIs, in the same way as the institutions themselves did. Yet this Ministry also considered strengthening accountability mechanisms, an idea which was obviously not equally shared by the academics, as it never went further from the accreditation process, legally speaking. While the Ministry recognised the trend of deregulation in HE across Europe and perceived the law as a mere framework, the academics saw institutional autonomy as a way to protect themselves from the state and likely protect their own financial and other resources. If the latter were true then the fear of the state turning authoritarian would not be the exogenous variable in question, but this would rather be the question of resources affecting preferences of actors.

As for the students, their role in the governing structures from the one they had by the 2002 LoU had not changed, at least for the university sector. Even though student parliaments were

institutionalised in the 2002 LoU, they were rarely implemented, and it was not until 2005 that this provision became mandatory for all HEIs. Nonetheless, the participation of student parliaments in the institutional-level decision making is not defined by the 2005 LoHE.

In sum, the combination of several exogenous variables affected the decision making on internal governance. The most significant ones were the understanding of the traditional role of academics in governing universities in combination with limited resources provided by the state for HE, the HEIs' own income, the lack of trust in governmental policies in general and the relationship between the Ministry and the academia (in particular the 2001-2004 Ministry).

Finally, the question of who governs a higher education institution does not seem to be difficult to answer: the professoriate. The influence of the state, the students and other possible stakeholders on internal governance is, at least in theory, limited. Yet, as the academics were "in charge" in the final part of the decision making, this seems as a logical outcome.

4.3.3   University integration: centralisation vs. decentralisation

With regards to the university integration problem, it seems that situation with respect to HE financing and resource distribution had a greater impact on the outcome than other factors, even though this was not always clear. On the other hand, it was argued that this opposition to the idea of integration was as well related to the allocation of public resources to HEIs, as the state did not offer any guarantee that faculties would not lose by giving up their legal status and independence.

Furthermore, it is hereby argued that the rather paradoxical state of the art that the university is governed by its faculties is, in effect, one of the main reason for the professoriate to fight for retaining the status quo. In line with the "resource" argument, as long as it allows the faculties to keep their legal and financial independence, "functional integration" is an acceptable solution. In line with the "feasibility" argument, as long as the university is kept loose, its faculties will manage to govern themselves, for which they need to be also autonomous from the university, not only from the state.

It would be interesting to mention, that the self-governance idea is in line with Weick's concept of universities as loosely coupled systems, which, as he argues, have many advantages, such as flexibility and adaptability of an institution, independence and uniqueness of its elements, less resources spent on coordination, low extent to which a breakdown in one part distorts other parts, etc, just to name a few (Weick, 2000). To some extent, Weick's concept offers an explanation to why faculties in Serbia feel comfortable with "standing on their own" and not showing an interest to change the state of the art: "If all of the elements in a large system are loosely coupled to one another, then any one element can adjust to and modify a local unique contingency without affecting the whole system" (2000:131). Nevertheless, what appears to be the case here is not precisely what Weick was referring to, as the loose internal structure of public universities in Serbia was not a result of careful planning by central management aiming at increasing efficiency, but rather a result of historical development. In addition, the loose coupling in the case of Serbian universities is not accompanied by proper feedback and accountability mechanisms which would keep the elements of the structure (the university) in accord.

4.4   Conclusions

The analysis of the decision making process draws the conclusion that deciding latest governance transformations in Serbian higher education were to a greater extent affected by internal dynamics of actors' interaction, socio-political and historical context and path dependence than by supra-national trends. The latter they, however, do resemble when given a surface look. Even though the latest changes in system-level governance entail the proliferation of actors involved in system governance, it appears that apart from students (to a limited extent), no other stakeholder actors were guaranteed a say in Serbian higher education alongside the state and the academic community. Hence, the latest transformations in Serbian HE system governance is not a typical case of a multi-level multi-actor governance, rather a hybrid produced by various factors in which one actor – the academia – has gained considerable power. As for the role of the state, it is without doubt that it has assumed a more supervisory role. Nonetheless, this was likely not a result of any state strategic plan aiming at increasing efficiency of higher education or introducing elements of network governance, but rather a spontaneous consequence of a set of events surrounding and penetrating the decision making arenas.

The 2005 Law on Higher Education gives HEIs more autonomy as regards their internal governance arrangements, which is also noted to be a trend across Europe. The law also presumes that the professoriate is capable of running large and complex HEIs, as it does not provide for any professionalisation of institutional leadership, but leaves this entirely to HEIs themselves. Even more so in the case of system-level arrangements, which implies that the professoriate is knowledgeable and capable enough of making decisions which should affect not only the entire HE system, but also the society at large, through higher education.

Furthermore, the law does not couple autonomy with accountability and output-based funding mechanisms. Even though the quality control structures and mechanisms have been foreseen by this law, these as well only superficially resemble the idea by which they were inspired, as their independence is very limited, if it at all exists. This all points to the notion that through this law the academic representatives not only strived to insulate the academic institution from external influences, but also to make the professoriate less responsible for their future decisions (as accountability mechanisms were not introduced). Finally, it was the academic representatives who assumed the responsibility of running autonomous HEIs and creating policies for the HE system, as they were the authors of the law. Therefore, the conclusion points to a somewhat paradoxical situation in which responsibility does not involve accountability.

Interestingly, although the ambition to secure more autonomy was considered legitimate by all the interviewed actors, the rationale of this ambition varied. While some argued that the actors were rational and strived to protect their own interests by not being more accountable to the state and society than they had been before, other argued that a university was expected to defend its autonomy, as this is one of the main element of its traditional identity. As Maassen and Stensaker (2003) argue, the increased institutional autonomy, as it also goes for self-regulation, do not necessarily have to be steering strategies in themselves, but rather "an end in itself" whose symbolic meaning prevail over the rational and pragmatic reasoning of sustaining them. Nonetheless, it is difficult to identify which rationale prevails in the case of Serbia and it is highly likely that more than one was operating in this case.

Regarding the governance structures within HEIs, the 2005 law gives more freedom to institutions in defining their internal organisation. On the other hand, it has made the roles of the Board and the Council rather overlapping, which adds to the lack of clarity in their respective managerial and professional competences. More precisely, the academic body was

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given competences over organisational and financial issues of the institution, which are normally expected to belong solely to the governing body – the Board, even though the 2/3 of this body are also university professors. This as well indicates that the academic community aimed at securing its position as the ultimate manager of HEIs, as well as at securing the sovereignty in dealing with its internal affairs. This professional coordination, as Clark terms it, is not a new phenomenon in higher education. However, it is not a direction other European countries have taken with respect to governance, where, for instance, a shift towards more market coordination is observed (Jongbloed, 2008).

The persistence in protecting higher education institutions from the state or other external pressures seems to be one of the leitmotifs of the decision making process under study. It can be observed across all three action arenas and linked to several exogenous variables. In turn, these variables were often found to be working together into the direction of reinforcing the argumentation in favour of ever increasing institutional autonomy. As an upshot of this, new buffers were institutionalised, the existing ones reinforced, while the professional and managerial roles blended. Even though it is not entirely clear to what extent the academics involved in the decision making aimed at being rational, all these facts point into that direction.

Furthermore, this perseverance in retaining the status quo is seen as typical of academia, for whom *change* stands as one of the major challenges (Clark, 1983). In this respect, understanding path dependences is of key importance to understanding why the direction of change was not more in line with the governance trends in Western European countries, as this change would have probably been too radical indeed. In the case of Serbia, change is even less acceptable when it implies more power to the state, as this has proven to be indeed harmful for HEIs. Nonetheless, as some interviewees pointed out, change is only acceptable when generated from within the object of change. However, it is difficult to imagine that an entity which is inherently resistant to change can inflict considerable change upon itself in a relatively short period. This is even more difficult to picture of large and complex systems, such as the University of Belgrade is.

Regarding the decision making arenas in which this state of the art was generated, it can be noted that the current higher education external and internal governance reflects the relationships and dynamics present inside action arenas. In concrete, the distribution of authority at both system and institutional levels resembles the power relations inside the

decision making arena in which the academic community representatives were virtually "controlling" the process. The current distribution of authority as regards both external and internal governance is now more in line with the preferences of the academic community and the 2004-2007 Ministry, and less in line with what the students and 2001-2004 Ministry argued for. The outcome of the decision making on university integration is as well in line with the preferences of academics and the 2004-2007 Ministry, but not in line with what the first Ministry and students originally preferred. However, the preferences over the level of integration varied inside the academic community group, in particular in the first phases of the process. Yet, the University of Belgrade, as the most dominant institution, managed to infuse the law with its own preferences over the level of integration, which others eventually followed. In sum, many compromises were made, either because a certain side was weak enough to confront, or because it decided not to confront beyond a particular level. In concrete, students were not strong enough to confront the academics, while the state, in the case of the 2001-2004 Government, was not ready to do so beyond a certain point. The 2004-2007 Government was not at all willing to go against the preferences of universities, but rather ally with them.

Finally, the analysis of the decision making process draws several main conclusions. First, the process of deciding latest governance transformations in Serbian higher education was only to a limited extent affected by supra-national trends which they resemble when given a surface look. Yet, they were far more affected by actors' interaction and preferences, "rules of the game", historical and political events at the moment of decision making and path dependence. Second, the power redistribution in the higher education system remarkably reflected the power distribution pattern inside decision arenas: those who were most influential during the decision making process managed to project that power base on the outcome of the decision making. Third, institutional autonomy and resource dependence were in the heart of the debate on future rules of decision making, as they were key driving forces of the process. In other words, autonomy of institutions and the control over resources have been recognised as the two most valuable assets at stake for the academics in the decision making process on new governance arrangements in Serbian higher education.

5 Summary and reflections

This study has explored the possibility to understand the latest governance transformations in Serbian higher education by analysing the decision making process generating the direction and nature of change. The Institutional Analysis and Development (IAD) framework has been used as the analytical tool, accompanied by the bounded rationality approach in the understanding of individual. In-depth semi-structured interviews and documentary analysis have been employed as research techniques. The findings confirm usefulness of the decision making process analysis in understanding governance changes and also offer a deeper appreciation of the Serbian higher education system, its governance and the dynamics of interaction of its key actors. This chapter reflects on the IAD framework, the bounded rationality concept and the methodology used, followed by the reflection on the main conclusions.

5.1 Reflections on the framework and methodology

The IAD framework proved to be an instrumental tool for approaching decision making process studied here, primarily due to its flexibility and scope. However, the framework itself does not hint which of its elements are more crucial to the understanding of the phenomenon studied, which makes the task of the researcher more demanding and somewhat risky, as it relies on her ability to estimate. Nonetheless, this did not appear to be an obstacle while conducting the research, as all the main elements of the IAD framework were given proper attention. In addition, using the limited rationality approach as the accompanying tool was indeed helpful in following the actors' logic of action. Furthermore, even though the framework does not offer a possibility to predict future events, as it lacks the precision of a theory, it can still help the researcher generate conclusions which could be insightful for future analysis of phenomena in particular settings, such as it is the case with the higher education system in Serbia.

With regards to the decision making in the context of the IAD framework, it can be said that the decision making process was affected by various exogenous variables, although, the actual effect of each variable depended on participants' interpretation of it. The relevance of the same variable varied across arenas, depending on its relation with the object of the decision making. In sum, the actual effect an exogenous variable had on the action arena depended on the relevance assigned to it by the participants in the arena.

As regards to outcomes and action-outcome linkages, participants in this study did indeed assign different values to different potential outcomes, although their choices were not always in line with their own preferences and, as already mentioned, many compromises needed to be made. However, they were in line with their beliefs of what would be the best choice in a concrete setting. These beliefs, in turn, were affected by social, political and historical circumstances. Also, costs and benefits were often weighted against each other. Participants also had varying level of control, which was in particular visible in situations when the more and the less influential actors would have different preferences over an issue. As for the information, it could be said that actors were in general aware of others' potential moves, although the logic behind individual moves was not always clear to all the participants.

The participants in the decision making process had preferences. These preferences were more or less shared, or not shared at all, with other participants. Even though participants could be consistent in their preferences over time, their choices did not have to follow their preferences in the same manner, as compromises were also made. Also, if participants in the decision making process were intendedly rational this rationality was constrained by various contextual factors, such as rules, institutions, choices made in the past, etc. In turn, these contextual factors have proven to be insightful for a better understanding of participants' preferences, choices and decisions.

With respect to the methodology, using interviews in combination with documents in analysing decision making proved a valuable combination. This was in particular noticeable during the description and analysis of findings by means of the IAD framework and bounded rationality approach.

As already indicated, due to already mentioned time constraints and other limitations encountered in conducting research (Chapter 3), not more than ten interviews have been conducted, which is considered rather limiting, as more informants would offer additional

perspectives to the subject. Additional secondary data (documents), which would further enrich the analysis, would have as well been of high value to the researcher.

5.2   Reflections on the main conclusions

With respect to the research findings, it could be noted that they have confirmed the starting assumption, i.e. that governance transformations can be better understood if the decision making process leading to them is approached for answers. At the same time, the specificities of this complex decision making process are for the most part reflected in the hybrid governance arrangements which emerged from it.

Due to the specific historical, political and economic circumstances Serbian higher education found itself at the turn of the century, the governance reforms it embarked on were not bound to be on the same path with the reforms encountered in Western democracies. As Peters (2001) rightly noted, only elements of these reforms can be found in the context studied here, i.e. the context of a developing and transitional countries. Even though the reforms were driven both by ideological and pragmatic motives, as it is the case with Western European countries (Maassen, 2003), these motives were not equally shared by all the parties which had a say in Serbian higher education governance arrangements. It was by this logic that the efficiency, effectiveness and accountability narratives of the 2001-2004 Ministry yielded to the self-governance and institutional autonomy narratives of the professoriate. In parallel, the new "managerialism" and other management mechanisms, as well as stakeholder involvement have gone missing in Serbian higher education, precisely due to the idiosyncratic nature of the context, out of which its academia has emerged as its ultimate manager. On the other hand, although the transformation of the state's traditional controlling role into a more supervisory role has indeed taken place, the position of the state has weakened rather than transformed. Simultaneously, the conditions for institutionalisation and interaction of new actors and structures at different levels of the HE system, i.e. "multi-level multi-actor governance" have not been secured, which further strengthened the position of academics in Serbian higher education governance structures.

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Appendices[15]

Appendix 1. Interview guide

Introductory questions
- How would you describe the general climate as regards HE in Serbia at the turn of the century?
- How would you describe the relationship between the state, the academic community and student representatives in that period?
- When participated in the working group(s), how did you find HE reforms?

Working groups
- How would you describe the work of the group(s) you participated in?
- How would you describe the relationship between the state, the academic community and student representatives inside the working group(s)?
- Which topics were the most discussed ones?
- In what way were decisions made?
- What was the level of involvement of group participants in the discussions?

Perceptions of other participants' actions
- How did you perceive the role and actions of the state representatives? (not asked if the interviewee is a state representative)
- How did you perceive the role and actions of the student representatives? (not asked if the interviewee is a student representative)
- How did you perceive the role and actions of the academic community representatives? (not asked if the interviewee was an academic community representative)

External governance arrangements
- What was the rationale behind the idea of having the National Council for Higher Education and what was your position as regards this matter?
- What was the rationale behind the idea of having the Accreditation Commission and what was your position as regards this matter?
- What was the rationale behind the idea of having the Conferences and what was your position as regards this matter?
- What was the rationale behind the competences given to these bodies and what was your position as regards this matter?
- Were any of these affected by international trends?

Internal governance arrangements and internal university organisation
- What was the rationale behind the composition and competences of the governing Board and the Council decided by the working group(s) you participated in and what was your position as regards this matter?
- What was the rationale for retaining university as a network of legally independent faculties and what was your position as regards this matter?
- Were any of these affected by international trends?

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[15] Tables in Appendices 3 and 4 are based on the respective laws (not university/faculty statutes), to be found in the References under Narodna skupština Republike Srbije, 1992, 1998, 2002 and 2005.

Appendix 2. List of interviewees

Code	Institution/organisation	Official position	Period	Working group (action situation)	Position in the working groups
ME1	National Council for the Development of Univ. Education	Member	2002 – 2004	N/A	N/A
	Ministry of Education, HE Unit	High Ministry official	2001 – 2003	2003 – 1, 2003 – 2	Chair/MoES repr.
MA1	University of Belgrade	Board member	2000 – 2004	2003 – 2	Member/UniBG repr.
				2003 – 3	Chair/UniBG repr.
	Ministry of Education, HE Unit	High Ministry official	2004 – 2005	2004 – 1	Chair/MoES repr.
ME2	Ministry of Education, HE Unit	Associate	2001 – 2007	2003 – 1	MoES repr.
				2003 – 2	
BG1	University of Belgrade	Faculty of Law professor	1979 – present	2003 – 1	Member/UniBG repr.
		Board member	2004 – present	2003 – 3	Member
				2004 – 1	Member/UniBG repr.
BG2	University of Belgrade	Faculty Dean	2002 – 2004	2003 – 2	Member/UniBG repr.
		High University official	2004 – 2006	2004 – 1	Member
NS1	University of Novi Sad	High University official	2000 – 2004	2003 – 1, 2003 – 2	Member/UniNS repr.
		High University official	2004 – 2009	2003 – 1, 2004 – 1	Member/UniNS repr.
BG3	University of Belgrade	High University official	2004 – 2006	2003 – 3	Member
				2004 – 1	Chair/UniBG repr.
ST1	Student Alliance Belgrade	Board member	2000 – 2004	(2003 – 2)	Observer
ST2	Student Alliance Belgrade	Board member	2001 – 2003	(2003 – 3), 2004 – 1	Member/Student repr.
	University of Belgrade	Faculty-level student repr.	2002 – 2003		
ST3	University of Belgrade	University-level student repr.	2004 – 2005	2004 – 1	Member/Student repr.

Appendix 3. System-level HE governance structures in Serbia 1992 – present

Level	1992 Law on University	1998 Law on University	2002 Law on University	2005 Law on Higher Education	
System	Government	Government	Government	Government	
	National Council for Higher Education Development (All Rectors + members appointed by the Government)		National Council for Higher Education Development (All Rectors and Vice-Rectors + 10 members appointed by the Government)	National Council for Higher Education (12 members from academia (10 nominated by the Conference of Universities and 2 by the Conference of Vocational HEIs upon a public call) + 4 prominent scientists or scholars, cultural figures, educators, artists or businessmen (nominated by the Government upon a public call, one of which is from the University of Priština (Kosovska Mitrovica) and one representing Vojvodina Province); all selected by the National Assembly (Parliament); NCHE can also have 2 student repr. appointed by the Student Conference, without a voice)	
				Commission for Accreditation and Quality Assurance (15 members from academia; nominated by the Conference of Universities, upon a public call and selected by the National Council for Higher Education)	
				Conference of Universities (All universities, represented by their Rectors)	
				Conference of Vocational HEIs (All vocational HEIs, represented by their Directors)	
				Conference of University Students (Delegates from university student parliaments)	
				Conference of Vocational HEIs Students (Delegates from vocational HEIs student parliaments)	
Institutional	University	University	University	Higher education institutions (University)	Higher education institutions (vocational HEI)
	Faculties, institutes	Faculties, institutes	Faculties, institutes	Faculties, institutes	

Table A.1 System-level governance structures in higher education in Serbia 1992 – present

Appendix 4. Institutional-level HE governance structures in Serbia 1992 – present

Type of body	1992 University Law	1998 University Law	2002 University Law	2005 Higher Ed. Law
Supervisory body	None	Univ./Faculty Supervisory Board	None	None
Governing body	University/Faculty Board Rector/Dean	Univ./Faculty Board	University/Faculty Board Rector/Dean	University/Faculty Board
Executive body	None	Rector/Dean	None	Rector/Dean
Professional body	Council	Council	Council	Council

Table A.2 Types of management structures in HEIs in Serbia 1992 – present (Nadzorni organ, organ upravljanja, organ poslovođenja i stručni organ)

Board members elected/appointed by	1992 University Law		1998 University Law		2002 University Law		2005 Higher Ed. Law
	University	Faculty	University	Faculty	University	Faculty	Higher Education Inst.
Founder	50%	50%	100%	100%	17%	17%	17%
HEI	50%	50%	0%	0%	66%	66%	66%
Students	0%	0%	0%	0%	17%	17%	17%
Other	0%	0%	0%	0%	0%	0%	0%

Table A.3 University/faculty governing body

Appendix 5. Actors and participants in the decision making process

Actor	Institution	WG 2003-1 participants	WG 2003-2 participants	WG 2003-3 participants	WG 2004-1 participants
State	Government	▪ 5 Ministry of Education and Sports repr. (including the Assistant Minister for HE) (Chair) ▪ 2 Ministry of Science and Technological Development repr. ▪ 1 Ministry of Culture repr.	▪ 5 Ministry of Education and Sports repr. (incl. the Assistant Minister for HE) (Chair) ▪ 2 Ministry of Science and Technological Dev. repr. ▪ 1 Ministry of Culture repr.	▪ None	▪ Assistant Minister for HE (Chair of the WG 2003-3) (Chair)
Academic community	Public universities	▪ 3 UniBG repr. (2 academic staff repr. + Secretary General) ▪ 1 University of Arts representative ▪ 1 UniNS representative ▪ 1 UniKG representative ▪ 1 UniNI representative ▪ 1 University of Kosovska Mitrovica representative	▪ 7 UniBG repr. (6 academic staff repr. + Secretary General) ▪ 1 University of Arts repr. ▪ 1 UniNS representative ▪ 1 UniKG representative ▪ 1 UniNI representative ▪ 1 University of Kosovska Mitrovica representative	▪ UniBG Board Member (Chair) ▪ UniBG Board President ▪ UniBG Rector ▪ 2 of UniBG Vice-Rectors ▪ 7 UniBG representative ▪ UniBG Secretary General	▪ UniBG Board President ▪ UniBG Rector ▪ UniBG Vice-Rector ▪ 6 UniBG representatives ▪ UniBG Secretary General ▪ 1 repr. of the University of Arts *Final draft approved by the Rectors of UniNS, UniKG, UniNI, and Uni. of Arts*
	Private universities	▪ 1 University "Braća Karić" repr. ▪ 1 European University for International Management repr. ▪ 1 University "Megatrend" repr.	▪ 1 University "Braća Karić" repr. ▪ 1 European University for International Management repr. ▪ 1 University "Megatrend" repr.	▪ None	*Officially, private universities were not signatory to the work of this WG. However, interviewees reported their presence at sessions.*
	Vocational	▪ 1 School of Economics repr. ▪ 1 Electrical Engineering School representative	▪ 1 School of Economics repr. ▪ 1 Electrical Engineering School repr.	▪ None	*Officially, vocational post-secondary institutions were not signatory to the work of this WG. However, interviewees reported their presence at sessions.*
Students	Student repr.	▪ None	▪ Student Vice-Rector of UniBG ▪ 1 Student repr. of UniNS ▪ 1 SUS representative	▪ None	▪ Student Vice-Rector of UniBG ▪ Student vice-Rector of UniNS ▪ 1 SUS representative ▪ 1 BSA representative