

CHAPTER SIX

How the *Fachhochschulrat* worked

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Having described the political activities which led to the foundation of an accreditation agency for vocational higher education after the British example, we now investigate how this alien concept stood its practical test in the Austrian context. One way to answer this question is to refer to three main features which, in their combination, make this institution unique in Austria's political, legal and administrative tradition. The *Fachhochschulrat* can be characterised as an expert body, an independent institution and a decision making agency.

The *Fachhochschulrat* as a body of experts

According to the *Fachhochschul* Study Act (FHStG) (BM:BWK 2002), the *Fachhochschulrat* was composed of sixteen members, who had to have the capability to assess pedagogical and didactical matters. A *Habilitation* (the right to teach as professor in a specific discipline) or an equivalent academic qualification was the formal requirement for half of the members. The other half had to be qualified by experience in one of the professional fields relevant for the *Fachhochschul*-sector (FHStG § 7.1).

The main rationale behind this composition was to design the *Fachhochschulrat* as a body of experts, contrasting with the Austrian tradition of social partnership, in which bodies with comparable tasks would have been designed as assemblies of representative from different political interest groups. When the *Fachhochschul* policy was developed, Pratt remembered, few people believed that such an expert body would work properly in the Austrian context.

And in fact, the composition was not enough to make this model work. All the members of the *Fachhochschulrat* had different loyalties, dependent on their personal background, identity, home region, profession, and political orientation. These loyalties were addressed frequently and in various ways. Hackl for example reported that political parties set up groups to talk to members of the

Fachhochschulrat. Schelling, its first President received letters, telephone calls and verbal attacks from various political actors up to the level of governor of a region. Even inside the *Fachhochschulrat*, members sometimes tried either to co-ordinate their votes in advance, or to lobby for a political interest group or for a region. How could these attempts to corrupt the idea of the *Fachhochschulrat* as an expert body be defeated? For in the long run, the members resisted the temptation to act like representative and started to work as experts.

One reason why they took their mission, set out in the law, seriously could be found in the fact that the appointed individuals did not depend on their position in the *Fachhochschulrat* or on the small compensation they received for their work on this body. They already had made careers in other circumstances. Hackl observed that they really enjoyed talking about the content of programmes, instead of merely representing external interests. In a way, they could feel like pioneers. The *Fachhochschulrat* had started with high hopes, as a new project with new ways of doing things, which was attractive in itself and worked almost as a self fulfilling prophecy.

Schelling, president during the first two terms, remembered that the *Fachhochschulrat* was under extreme time pressure in its initial stage. It had to work on twenty applications, but the group nevertheless started by discussing the main principles on which to base its decisions. They agreed on three criteria: quality, needs of graduates, acceptance by applicants and companies. This agreement on common values was one key for success, since it raised the pressure to work on the content of applications. On this basis, the *Fachhochschulrat* started to act as a body, by its own rules, with its own ethic, and devoted to the *Fachhochschul* sector only.

The necessity to reach group decisions was of additional help - and a big difference from a normal bureaucracy. Even after hard discussion, during which every vote had to be advocated openly and supported with sound arguments, consensual group decisions could be found in most cases, reported Schelling. Additionally, the *Fachhochschulrat* found its own ways and internal regulations to deal with interventions or with the bias of individual loyalties, as Rauch, its second President explained. For example, every application had to be supervised by two members

during the accreditation procedure, neither of whom was from the same region as the applicant.

Admittedly, the *Fachhochschulrat* was not composed as a perfect expert body. Four members were nominated by the council of economic and social affairs (*Beirat für Wirtschafts- und Sozialfragen*) and came from the institutions of the social partners, like the chamber of commerce or the chamber of labour. Ex-minister Busek reported that the concession to involve some professional representatives from the social partnership was the price of the chamber of labour to agree to the accreditation model. These members had the strong loyalties to their interest groups and the most traditional attitude of representing external group interests. But they did not damage the integrity of the *Fachhochschulrat*. For one thing, the *Fachhochschul* sector was too new, too alien, maybe even too underestimated for any of the social partners to identify its claim or formulate instructions for its representative in the *Fachhochschulrat*. For another, these representatives were a minority, and came from competing interest groups. According to Schelling, they initially neutralised each other and in the long run focused on their role as experts. One of our respondents made the point that they contributed to the legitimacy and the public acceptance of the *Fachhochschulrat*, since their presence satisfied the social partners. He also mentioned that, ironically, that some of the representatives of the social partners were better qualified for their work in the *Fachhochschulrat* than most of the other members, since they had done studies on graduates and labour market demand in their home institutions for years.

Membership of the *Fachhochschulrat* can be regarded as a part time occupation, similar to that of a supervisory board of a company or on a governing board of an American university. But, by contrast with these examples, the *Fachhochschulrat* could not focus on a few strategic decisions only, but had to do much operational business as well. An observer could even hold the opinion that the *Fachhochschulrat* acted like a machine for formalised decisions, with comparatively small interest in profound, strategic debates. The main reason for this can be found in the small support structure. The *Fachhochschulrat* had to build up an office with permanent staff, with very limited funds and the enormous pressure of the initial phase to take quick but reliable decisions. It could not wait for an office to be established and,

anyway, did not have much money for this purpose. The *Fachhochschulrat* employed about nine permanent staff only, a very small support structure compared to the British CNA. The *Fachhochschulrat* itself created formalised reporting systems and got involved in detailed preparatory activities. This led to intense involvement, in excess of that of a supervisory body - and to frequent debates on the work load of the *Fachhochschulrat*. Schelling especially, who had retired as a university professor and now took the presidency of the *Fachhochschulrat* as his personal mission, invested much time in this new occupation and became notorious for his work ethic. Even newspapers mentioned complaints of his fellow members about his demanding attitude and about the work load of the *Fachhochschulrat* in general. From the point of view of a civil servant at the ministry, this work load could have been reduced by outsourcing the expertise on some applications. But even then, the FHR secretariat would still have been small.

The main problem with the composition turned out to be the appointment mechanism for this body. All members were appointed by the minister of science for three years with the option to be re-nominated for one consecutive term. Apart from the four nominated by the social partners, their nomination had to be agreed with the minister of education. During the coalition government in the 1990s, these two 'ministries for ideology' were shared between the social democratic and the conservative parties. The requirement to come to an agreement between ministries applied to some other issues of the *Fachhochschul* sector as well, but it only became a topic of interest for politicians when the composition of *Fachhochschulrat* and the nomination of its president were concerned. In practice, the ministers had to decide about the entire body every three years. On the last two occasions, the ministers delayed this decision for several months, which stopped the work of the *Fachhochschulrat* and seriously endangered its continuity, since it made it hard to hand over the tasks to the successors. Several of our respondents made suggestions to improve this mechanism, for example by exchanging members sequentially. Ex-Minister Busek even suggested that the *Fachhochschulrat* should itself decide on its successors.

The *Fachhochschulrat* as an independent public authority

Unlike most other public authorities in Austria, the *Fachhochschulrat* was independent of federal and regional governments. The *Fachhochschul* study act

guaranteed the independence of all members of the *Fachhochschulrat* in the execution of their duty (FHStG § 7.4). They did not have to obey any orders from outside, not even from the minister. The *Fachhochschulrat* could independently decide to award or to deny accreditation to a study programme. Nobody could instruct the *Fachhochschulrat* as a body or any of its members how to decide.

The main formal limitation of this independence was that decisions of the *Fachhochschulrat* were subject to approval by the minister. One reason for this was the responsibility of the minister to supervise the *Fachhochschulrat*, so ensure that it acted in line with all legal regulations, especially the tasks stated in the *Fachhochschul* study act (FHStG § 11). Another reason to refuse approval would be that a decision of the *Fachhochschulrat* was seen to contradict a national interest in educational policy (FHStG § 6.5). One of our informants at the ministry explained that this second *Genehmigungsvorbehalt* (reservation to approve) was mentioned in the law as a claim of the minister's responsibility for the *Fachhochschul*-sector. This paragraph reflects the *etatist* concerns of the social democrats, who wanted additional protection for the interests of the state. In fact, it is not totally clear why this special instrument was necessary, when the Minister already had the responsibility of supervising the activities of the *Fachhochschulrat* and the power to assign federal funds. In any case, to refuse approval of a formal decision of the *Fachhochschulrat* was a step that would have needed intense public argument by the minister, and it has never yet been taken.

Being set up outside governmental bureaucracies was of great help, but did not completely avoid political intervention. Schelling reported several attempts to put pressure on the *Fachhochschulrat*, coming both from the federal and – even stronger – from the regional level. From the very beginning, the *Fachhochschulrat* reacted sensitively to any activity it suspected to be a form of intervention and put up strong resistance to it. It is fair to say that the independence of the *Fachhochschulrat* was not only based on its legal construction. The personal courage of the members, especially of Schelling, the first president, was essential in the political context. Schelling succeeded in making his resistance visible, even making a myth out of it, which helped to build up a public reputation of independence for the *Fachhochschulrat*. Everybody knew that it was essential to get the accreditation from

the *Fachhochschulrat* and that not even the minister could influence this decision. The contribution of Hackl at the Ministry and her department was essential as well, since she strictly followed the intention of the law, respecting and supporting Schelling's fight for independence. This high prestige of the *Fachhochschulrat* also acted as a 'relief' for the ministry, partly protecting it from interventions. Ex-minister Einem noted that experts were not subjected to the same political pressure as politicians or the ordinary governmental administration.

The *Fachhochschulrat* was sometimes, however, criticised for bureaucratic tendencies. Höllinger, for example, named it a 'little ministry', noting that it even created clothing instructions for the graduation ceremony in the *Fachhochschul* - sector - and, to his surprise, the institutions accepted it. Maybe this exaggerated regulation was caused by the fact that members of the *Fachhochschulrat* lacked administrative experience, being either academic or professional experts. But an administrative expert from the ministry made the even more important point, that the *Fachhochschulrat* really was a public authority, which had to obey to the criteria of the law of public administration and which therefore could be sued at the administrative tribunal. On one hand, this guaranteed legal security for the applicants. On the other hand, it raised the need for the *Fachhochschulrat* to be rigid and careful in the development of its decisions, especially since it was a new and alien institution and experiencing extreme pressure to prove its authority and its legitimacy.

The *Fachhochschulrat* as a decision making institution

According to the *Fachhochschul* Study Act, the *Fachhochschulrat* was the responsible public authority for the accreditation of *Fachhochschul*-study programmes (FHStG § 6). The *Fachhochschulrat* had the power to formally recognise *Fachhochschul* study programmes or to withdraw this recognition. It awarded the academic degrees in the *Fachhochschul*-sector and recognised comparable degrees from abroad. The *Fachhochschulrat* had to foster the quality of single programmes and to evaluate the coherence of the *Fachhochschul*-sector with other parts of the education system. Additionally, it had to advise the ministers of science and of education on questions relating to the sector, especially on the use of federal funds.

Applications for accreditation had to be addressed to the *Fachhochschulrat* directly (not to the ministry), which was a clear statement of its importance. To increase the identification of applying institutions with their own proposals, the *Fachhochschulrat* did not allow them to outsource the academic components of applications to external bodies. They had to guarantee the independence of the team that developed the curriculum. Schelling said that this was essential for the development of reasonable proposals. The *Fachhochschul* Study Act specified a list of topics which had to be addressed in an application, and which therefore had to be part of the quality assessment process. In broad terms, the *Fachhochschulrat* had to assess the academic quality, the socio-economic relevance and the institutional business plan during the accreditation procedure.

With respect to the academic quality, study programmes had to show a clear vocational orientation, focused on a professional field. Training had to be based on a pedagogical concept and to be delivered by qualified, academically autonomous staff. At least some of the staff members had to do applied research and development to keep in touch with developments in the sector. Curricula had to reflect variety of scientific opinions and methods. The *Fachhochschulrat* sometimes showed concern about the academic depth of programmes. But it also restrained ambitions of applicants, for example, if they led to excessive study hours. Entry requirements and ways of recognising existing professional knowledge as a substitute for parts of the curriculum had to be part of the proposal.

A clear picture of the target groups and the market for a study programme was an implicit necessity for the design of the academic programme. To explicitly demonstrate the socio-economic relevance of a proposed study programme, every applicant had to specify the region targeted, and to provide studies of labour market demand, as well as investigations of acceptability among potential students. This requirement of the accreditation procedure further fostered the practical orientation of *Fachhochschul*-study programmes and the interaction between the providing institutions and their socio-economic environment.

As part of their institutional business plan, applicants had to demonstrate that all staff, buildings and facilities were available and that the essential infrastructure existed. The cost of running a study programme had to be calculated per study place. Applicants had to explain from which sources they planned to receive the funding for running costs. In most cases (as noted in Chapter Five), about 90 per cent of these costs were covered by federal funds, so it was crucial to get a funding agreement from the federal government. But they had to deliver guarantees for the rest as well, mainly from the region or from municipalities. This was a key element for the intense involvement of and networking with regional politics.

In practice, prior to the formal assessment of an application, the *Fachhochschulrat* started with intensive interaction with the applicant, to actively ask for improvement of the proposal, if necessary. Those applications that completed this screening with a positive assessment by the *Fachhochschulrat* had been through an intense procedure. Sometimes, the outcome of this interaction was the advice to withdraw an application that did not seem to be promising, which allowed the *Fachhochschulrat* to avoid a formal rejection (Fischer and Melchior, 1995). In this respect, the *Fachhochschulrat* was going beyond its legal brief and acting as a facilitator and promoter of study programmes (rather as the CNAA did in the UK). The *Fachhochschulrat* was sometimes uncertain about its role in this respect, and cautious about the right amount of effort. It worried about how much support was necessary and whether it was starting to endanger the creativity of the applicants.

The accreditation of a *Fachhochschul*-study programme had a maximum validity of five years. Providing institutions therefore had to reapply for accreditation, which normally was started in the fourth year. This procedure differed from initial accreditation. It was based on the report of a peer review team of four people, composed of two experts from abroad, one practitioner from the professional field of the study programme and one colleague from a different providing institution. Since the *Fachhochschul*-sector was young and still growing, only a few programmes had experienced this evaluation procedure at time of writing. Criticisms had been raised in two cases and led to rigid conditions for re-accreditation, which demonstrates that this evaluation was more than a formal requirement.

Co-ordinating decisions with the ministry

An important rationale for the creation of an accreditation agency in Austria was to create a functional differentiation between three different types of decisions: assessment of quality, allocation of funds, and organisation of study programmes. By accrediting study programmes, the *Fachhochschulrat* took the responsibility for the assessment of quality. This activity had to be complemented by the political decisions of the ministry on the allocation of federal funds. In practice, it turned out to be difficult to find the right procedure for the interaction between *Fachhochschulrat* and ministry. However, this distinction of different steering responsibilities and respective actors was crucial for the development of autonomous providing institutions, which could interact in an institutional triangle instead of being at the mercy of a single, dominating agency.

This functional differentiation was a new experience for both institutions. In the case of the *Fachhochschulrat*, it was an entirely new institution which had to learn how to act step by step. But it was a very new experience for the ministry as well, which had been used to different arenas and different mechanisms for political decisions. Given the opportunity to flexibly assign funds (without being bound to merely fulfil legal obligations) and being confronted with the *Fachhochschulrat* as an institutional counterpart, it had to prepare individual decisions, to negotiate them and to advocate them publicly. To fulfil these tasks for the *Fachhochschul* sector, a small department was founded at the ministry, staffed by one, later two people only. Dr. Elsa Hackl, the civil servant, who already had done most of the design work for the *Fachhochschul* policy, became head of this department.

During the early years, decisions on quality and on funding were rigidly separated in two big, sequential steps. Only after the *Fachhochschulrat* had finished the entire quality assessment part of the accreditation procedure, did the ministry decide which applications it was willing to support with federal funds. Ten criteria for this decision were stated in the development plan for the *Fachhochschul* sector:

- Innovative character of the study programme;
- Supra-regional tuning and complementarity of existing supply;
- Long-term development concept for the providing institution;

- Removal of regional disparities;
- Harmonisation and clarification of supply structures, mainly in the sector of non-university education;
- Support of new target groups;
- Support of employed, part time students;
- Use of existing facilities;
- Private co-funding.

For each of these criteria, 0-10 points were assigned, which led to a maximum of 100 points per application. 50 points were the minimum requirement to qualify for federal funding, but did not guarantee this. If study places which qualified for federal funding outnumbered available funds, they were ranked according to the number of points they received. This entire assessment was done by the small department of Hackl only, and served as the basis for the funding decision of the minister.

In practice, this sequence of decisions turned out to cause unexpected problems, especially when the decisions of the *Fachhochschulrat* and of the minister did not correspond. When the minister thought about refusing to fund a programme which had successfully had passed the accreditation process, the *Fachhochschulrat* complained that this would mean a complete waste of all the time and effort it had used to guide the application through the accreditation procedure. Therefore, the *Fachhochschulrat* suggested turning the sequence of decisions upside down, with funding decisions taken first. But the *Fachhochschulrat* was still a new institution, struggling for its position. To decide on quality after the minister already had decided on funding would have damaged the strategic position of the *Fachhochschulrat*. Nobody would have taken it seriously. After a short debate, the *Fachhochschulrat* recognised this dilemma and dropped the plan.

The decision sequence caused even bigger problems for the ministry. The main reason for this was that it was impossible in the Austrian culture to communicate the distinction between a quality decision and funding decision. Politicians from the regions had an interest in ignoring this distinction and used a positive judgement of the *Fachhochschulrat* to put the minister under pressure. The Austrian press, too, did

not have the capacity to handle this distinction. This deficit reflects a lack of arenas in Austria where sophisticated public debates could take place. If the decisions of the *Fachhochschulrat* and of the ministry did not correspond, this was not interpreted as a question of content, but lapsed into the traditional politicisation. In public debates, this disagreement of two institutions with different functions was reduced to the point that the minister was a social democrat and that the President of the FHR was regarded as a conservative. Even if these two acted according to the different responsibilities of their institutions, any open discussion between them was regarded as a disagreement motivated by party politics. To be regarded in a way that matched the dominant pattern of perception and political behaviour in Austria endangered the integrity of the *Fachhochschul*-policy and was unbearable for both the *Fachhochschulrat* and the ministry. It became necessary to change the procedure.

The new procedure started with a meeting of the *Fachhochschulrat* with the responsible department at the ministry. The aim of this meeting was that the *Fachhochschulrat* should give advice to the ministry and help to assess which applications should be regarded as *förderungswürdig*, (deserving sponsorship by federal funds). In open discussion, all members of the *Fachhochschulrat* and all the civil servants present gave their individual ratings according to the ten criteria stated in the development plan. Mean values of these ratings were calculated both for the *Fachhochschulrat* and the ministerial department. In a further step, these numbers were integrated into one last mean value. These data, together with the main arguments of the debate, were documented and sent to the minister as the recommendation of the *Fachhochschulrat* and the civil servants.

This recommendation amounted to a first selection of applications. But it was informal, in that it was no guarantee of a positive quality assessment or, yet, of a funding decision. Even if the ministry was interested in a proposed study programme and had shown its willingness to fund it, this said nothing about the academic quality of a curriculum or about the reliability of a business plan that looked convincing at first sight. Dealing only with applications with a positive recommendation for sponsorship, the *Fachhochschulrat* started the more time-consuming step of assessing the academic quality of the curriculum and the reliability of its business plan. This was performed as before and could lead to a negative decision. Funding

by the ministry still depended on the general negotiation of the federal budget, and whether the ministry received the share it had calculated for the *Fachhochschul* sector. Since the development plan always proved to be realistic, this never was a problem. With a positive decision on quality and on a positive recommendation for sponsorship, the minister would now formally assign federal funds and formally approve the accrediting decision of the *Fachhochschulrat*.

Putting the informal meeting at the beginning of the accreditation process proved to be more successful than the old procedure. It involved the *Fachhochschulrat* in the preparation of the funding decision in an early stage, which helped to avoid a waste of time both for the *Fachhochschulrat* and for the applicant. The open debate on the ratings made it necessary to explicitly explain the arguments for an otherwise implicit judgement and put the recommendation to the minister on a much broader basis. The intensive communication improved the mutual understanding of the *Fachhochschulrat* and the ministry. The *Fachhochschulrat* was involved in this only in an advisory capacity. The ministry clearly took the responsibility for the funding recommendation/decision and used the documentation of the debate to give feedback to unsuccessful applicants, even how to improve applications to raise their attractiveness for federal funds in future. The closer co-ordination of decisions between *Fachhochschulrat* and ministry made it more difficult for other actors to play both institutions off against each other.

The power balance between *Fachhochschulrat* and ministry

The efforts to co-ordinate the activities of the complementary institutions of the *Fachhochschulrat* and the ministry make clear that the distinction between decisions on quality and funding, which seemed to be simple in theory, was not easy to handle in practice. Several of our respondents felt that there was an improper power balance in the interaction of the *Fachhochschulrat* and the ministry.

The *Fachhochschul* Study Act itself had raised some questions, since in the extensive prescription of topics that were supposed to be part of the quality assessment by the *Fachhochschulrat* were several which related to the socio-economic relevance and the institutional business plan of a study programme. Obviously, both of these topics affect the overall quality of a study programme. But

they have many political implications as well. Maybe this was the reason why the *Rechnungshof* (federal audit office) that controlled the *Fachhochschulrat* and the ministry with respect to their activities in the *Fachhochschul* sector, criticised the involvement of the *Fachhochschulrat* in funding decisions. But both the first two presidents of the FHR held the opinion that its involvement was essential.

Our research has shown that the actual power balance was not so much a result of the 'job description' for each institution, but by their respective willingness and effort to fulfil given tasks. One of our respondents got the impression that the ministry did not develop its role quickly and strongly enough. Therefore, he said, the *Fachhochschulrat* had come under pressure to do a basically political job that was not really its responsibility, even though it was quite willing to accept additional tasks. This raised the danger that the *Fachhochschulrat* could exceed its authority. Making a distinction between the political and the administrative responsibilities of the ministry, Schelling criticised the role of the ministry even more precisely. From his point of view, Hackl did everything possible for the *Fachhochschul* sector, but she was pushed into administrative tasks only and did not get the necessary support or authority to take policy decisions. The main deficit, he saw, lay in the responsibility for policy. He blamed the respective ministers for not having cared enough about the *Fachhochschul* sector to get involved into the creation of a development plan and of delaying decisions they were clearly responsible for. Rauch put the whole issue into a nutshell: 'In the past, Elsa Hackl was the ministry. At the moment [Hackl had left her position], we have a power vacuum and we are willing to fill it, to decide even more than we do already.'

There are several explanations for the weak role that (federal) politicians played during the foundation period of the *Fachhochschul* sector. Educational affairs had been distributed into two ministries, which were shared among the competing partners of the former coalition government. Since the *Fachhochschul* sector was new in the educational structure in Austria, co-ordination between both ministries was regarded as necessary to avoid raising political identification with the sector. Additionally, higher education was only part of the of the varying portfolios of three ministers during the last decade (which also included culture, industry and transport). As a consequence, it is fair to say that the *Fachhochschul* sector had to (and

successfully did) survive as a single topic policy, without being integrated into a bigger political concept, for a long time. It makes understandable why the *Fachhochschulrat* started to feel responsible not only for the accreditation of programmes, but for the sector as a whole, acting as a 'little ministry'.

References

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