Transforming University Governance in Ukraine: Collegiums, Bureaucracies, and Political Institutions

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The massification of higher education in Ukraine is a fact while financing the system is still an issue. External pressures from the Central government and the market require changes in university governance. Europeanization of educational system and adherence to the principles laid down by the Bologna declaration add to already existing challenges faced by universities. This paper states that there is no one right prescription for changing governance in Ukraine's universities, because they differ in their history, location, culture, organizational structure, student body, faculty, and educational process and content. It proposes different approaches to the different types of the universities, considering universities as collegiums and bureaucracies, and suggests the political system as a viable form of organizational structure for the task of reforming universities.

Key words: governance, higher education, reform, university, Ukraine

Introduction

Ukraine, along with many other European countries, reforms its higher education in order to increase its effectiveness and efficiency and meet the changing demands of the market economy. The reform is based in part on the principles of the Bologna declaration. The process of reform faces many challenges, including defining the new role of the state in the education sector, establishment of the university autonomy, and further development of private education. The need for structural changes is obvious as the Bologna declaration and the Lisbon convention require development of a three-tier system of academic degrees, including bachelors, masters, and PhD, for successful integration into the European educational space.

The massification of higher education in Ukraine is a fact while financing still an issue. Legacy of the Soviet educational system also poses some challenges. External pressures from the Central government and the market require changes in university governance. Europeanization of higher education and conformity with the unified Euro standards explain the presence of yet additional, international, external pressure. As demand on different specialties changes, state and private colleges and universities adopt curricula and change their offerings accordingly. University governance has to be reformed to be able to address the need for flexibility and responsiveness to the public demands, and at the same time comply with the state regulations and demands of the European educational community.

This paper argues that there is no single correct prescription for changing governance in Ukraine's colleges and universities, since they differ in their history, location, culture, organizational structure, student body, faculty, and educational process, and content. It proposes different approaches to the different types of universities, considering universities as collegiums

and bureaucracies, and suggests the political system as a viable form of organizational structure for reforming universities.

Classification of higher education institutions in Ukraine

The science and education sector that Ukraine inherited from the Soviet system is rather complex. First, there are around three hundred state higher education institutions (HEIs) in the country, not including community colleges, technical and vocational schools. Some of them have branches in other cities. In addition, there were around 150 private HEIs created since 1991. The function of teaching and learning stays with HEIs, while the research function traditionally belongs to Science & Research Institutes, or so-called NIIs. All the HEIs are under the auspices of the Ministry of Education and Science and other related Ministries while all the Science & Research Institutes were and still are under the auspices of the Academy of Sciences. Medical universities are under the authority of the Ministry of healthcare, all the military academies under the Ministry of Defense, and all the police academies are under the Ministry of the Interior. Other examples of such sector-related subordination of HEIs would be The Academy of the Diplomacy under the auspices of the Ministry of Foreign Affairs and the University of Railway Transportation under the Ministry of Railway Transportation. Such system was typical for the centralized, planned Soviet economy. Essentially, different state ministries prepared specialists for their related sectors of the national economy in HIEs that they governed and funded.

This paper offers a classification of HEIs in Ukraine based on such criteria as size of the institutions, scope of disciplines taught, and their functions. Three major groups of HEIs are identified, including universities, specialized HEIs, and private HEIs. Universities are large HEIs that host a wide variety of disciplines, including sciences, social sciences, and humanities, and

they are involved in fundamental research. Specialized HEIs include polytechnics, branch-related HEIs, and Military and Police academies.

Universities, some of which were established before Soviet rule, can be characterized with some democracy, liberalism and freedoms, little anarchy, and a bit of corruption. Universities are located in large cities and supply specialists for industries, sciences, education, healthcare, and other industries as well as faculty for other HEIs. Universities are traditionally considered flagships of the education sector.

Polytechnics are "technical twins" of universities that host a wide variety of technical specialties and do fundamental as well as some applied research. Polytechnics enroll large numbers of students, on par with universities, and are de facto universities for the technical world. Some, such as Kiev Polytechnic, Kharkov Polytechnic, Donetsk Polytechnic, and Lviv Polytechnic, are highly regarded.

Branch-related HEIs are closely affiliated with certain branches of the national economy, including construction, nutrition, railways, auto, pharmacology, healthcare, industrial economics, etc. They are not as large as universities and their curriculum is certainly not as diverse. Some of the branch-related HEIs, such as pedagogical institutes and medical institutes, were established in each of Ukraine is twenty-four territorial units in order to satisfy the population's demand for universal schooling and access to healthcare.

Military academies and police academies serve different branches of military and law enforcement agencies. Some of the military academies are also organized based on branches within the military, such as corps of military engineers, military firefighters, airborne, paratroopers, and such.

Private HEIs, established after 1991 to fill market niches and meet excessive demand on certain majors, are all for profits and characterized by clear managerialism. Graduates of all the HEIs, including universities, polytechnics, and branch-related HEIs, are qualified specialists in a certain area, i.e. engineers, doctors, lawyers, math teachers, etc. Unlike in the US system, liberal arts colleges are non-existent in Ukraine, and so are professional schools within universities. Also, in distinction from the US education sector, in Ukraine only those educational institutions that offer five-year degrees and higher are considered HEIs. In order to satisfy industry's demand on skilled labor, there are numerous two-year technical colleges, vocational schools, and community colleges in addition to HEIs.

Finally, most of the research, including fundamental and applied sciences, is done within Research & Science Institutes. These divisions of the National Academy of Sciences do not run any educational programs except doctoral programs for their junior researchers. Many Research & Science Institutes are also branch-specific, as was typical for a planned economy.

The Soviet system functioned well enough to supply qualified specialists for the national economy and to produce research of a high quality, mostly for the defense industry. Introduction of market forces in the education sector as a part of the market reform makes the system of state-university relations even more complex. The system needs to become more effective and efficient, and this may be achieved through decentralization and reforms in university governance. After the reform of 1991, many HEIs were transformed into universities. Ukraine became a country with university system. This paper focuses primarily on the governance issues in two types of HEIs: universities and polytechnics. Even though prototypes of educational conglomerates emerge in certain districts that include branch-based HEIs, technical colleges,

lyceums, and even secondary and high schools, this process does not change the picture significantly.

External pressure on university governance

Recent research in Ukraine suggests that participation in higher education yields national economic gains, improves personal economic opportunities, and spreads social benefits. The rate of return on higher education degrees in Ukraine is high and supports sustainable economic growth in the country over the last eight years, despite political turmoil (Osipian, 2007). Despite the downfall in the economy in 1990s, the higher education sector grew steadily since 1991. In Soviet times, higher education was free, but access to some specialties was limited. Now half of the students attend for-tuition programs. Most of the for-tuition programs are hosted by state HEIs, while private HEIs enroll around twelve percent of all students. While this change seems to be an additional financial burden for students, it offers flexibility and is more appropriate for the market-based reform.

The changing environment and external pressures initiate internal changes within the universities and create a need for a new balance between the organized anarchy of the universities and the external rationality inherent to university behaviour. New patterns of efficiency and effectiveness, based in part on the rebalancing of governing powers and the new structure of relations, have yet to come to pass.

Since new rules of financing were imposed externally, any adaptation to these rules may be interpreted as a response for university governance. An adequate response may result in generous funding from both the state and the market, while an inadequate response forces the university to focus on financial survival and develop the curricula accordingly. The existing

system of higher education may be characterized as increasingly decentralized in terms of financing and at the same time it shows the least institutional autonomy, including in the area of finance. Only recently universities were allowed to accumulate funds on the bank account, yet US type endowments, invested in stocks and bonds or directly into other sectors of the economy, are still unheard of. Not surprisingly, the reforms that included cuts in governmental funding were not met with great enthusiasm by the academic community, especially at the beginning.

Davies comments on the effects of similar financial cuts that took place in the UK: "Psychologically, such "cuts" were important in creating an atmosphere in institutions which was a confused combination of defensiveness, gloom, suspicion, realism and injured innocence." (Davies, 1997, p. 129) In regard to the new policy of financing and control, Clark notes that "The UK is currently the outstanding case of maximization of distrust between government and universities; government sends out its agents – deputized academics – to observe teaching and research activities in thousands of departments, rates those activities numerically, and then funds accordingly. Departments soon learn defensive strategies of how to hide their weaknesses and exaggerate their strengths and turn this national exercise into a foolish game laced with cynicism and chicanery." (Clark, 1995, p. 163)

There are around forty state universities in Ukraine that were granted the status of national universities. These are the nation's leading HEIs. Even though now all of the state HEIs receive governmental funding, in the future most of the state money may well be channeled to the leading, i.e. national, universities. State support will reflect governmental priorities in specific fields of knowledge and research, including the need for certain majors and specialists. Selectivity, in its turn, will raise the issue of funds allocation.

Another issue is the place of research in the higher education sector. All the Science & Research Institutes are under the auspices of the Ukraine's National Academy of Sciences. The government in the Russian Federation is now considering the possibility of a gradual amalgamation of these research institutions with the leading state universities, while in Ukraine it is not even at the discussion stage. The Ministry of Education and Science can take over medical universities, as agreed with the Ministry of Healthcare, but is not ready to take under its control many other sector-related HEIs and research institutes. Moreover, the role of the Ministry itself has to be redefined. The process of decentralization and growing university autonomy may leave the Ministry with a lesser role than it played before, preserving such functions as coordination, forecasting, and quality control, but not as much funding and direct governance. Nevertheless, the Ministry of Education and Science claims the need to take over HEIs that are now under the auspices of other ministries, explaining the need for a unified system of coordination and control. The Minister of Education and Science Stanislav Nikolaenko voices the ambitious goal of placing all the state HEIs under one umbrella.

External pressures are not limited to those posed by the state and by the market. The state creates challenges in terms of funding, regulations, and informal control. The market requires revenue diversification and matching the market demand that comes from both businesses or employers and households or consumers of educational services. There are other external challenges as well. Higher education in Ukraine faces a set of challenges, similar to those faced by many other European nations, including insufficient funding, changing curriculum, and structural changes. But in addition to the common problems, Ukraine's higher education is riddled with corruption, including its most explicit forms, such as bribery, extortion, and fraud (Bondarchuk, 2007). State funding of universities on the one hand and demand of households for

"easy" degrees on the other hand, create opportunities for abuse. University faculty and administrators take the opportunity to supplement their formal incomes through illegal ways. Publicly funded places are for sale by the admission committees, and degrees are for sale for those seeking credentials, not knowledge. Corruption creates additional pressure on university governance.

The President of Ukraine Victor Yushchenko has asked state universities to curtail the corruption so endemic to admissions processes and called upon rectors and professors to put a stop to the bribery and cronyism that hold sway during entrance exams, a widespread practice that he characterized as "shameful and humiliating." (MacWilliams, 2005, p. A20) Yushchenko pointed out corruption in education in his address to the students of Kiev National University in March 9, 2007: "We are talking about the way to eradicate corruption in higher education institutions, starting from the entry examinations; how to create an independent system of conducting competitive examinations; how to make it possible for the state funds that now extend to 54 percent of all students in higher education institutions, to support those specialists requested by the state who come through truly transparent and honest competition." (Vystup, 2006)

In order to cope with corruption in admissions to publicly funded programs the government introduces standardized computer-based national test for high school graduates. The test is intended to replace subjective oral examinations run by admissions committees in state universities. Universities object to the test since it threatens their monopoly over the admissions decisions to state HEIs and, hence, to their discretionary power as a ground for generating informal benefits.

The Minister of Education and Science recognizes that some of the rectors refused to acknowledge the test and to run test-based admissions. Nikolaenko had to explain to these rectors that if they will not recognize the test and will not agree with the policies of test-based admissions, he will find others who will. What he meant by that is that those educational leaders who refuse to comply with the new state policies will be dismissed or removed from their offices. Such an attempt points to the strong governmental position on the issue and the need for strong state authority over the universities. At the same time Nikolaenko has to negotiate the test as well. Replacement of the rectors would not be an easy task. The Minister agrees that the tests will not replace the entry examinations completely. Some oral examinations will be preserved. This *a priori* leaves some space for corruption in college admissions. The new standardized test will also allow achieving implementation of internationally recognized practices in admissions to HEIs.

Finally, the Bologna declaration, adopted by Ukraine, anticipates a complete restructuring of academic programs and the creation of a tree-tier system of educational degrees, including bachelors, masters, and PhDs instead of specialists, candidate sciences and doctor sciences. Such restructuring adds more bureaucratic burden on faculties and requires departments requires certain changes in university governance.

The benefits of being prepared to make a commitment to the process of changing governance in response to external pressures for universities are unclear. To the extent that institutions adopt a form of governance that can readily engage with the pressures generated by their environment, they are then able to compete effectively in the political game for resources and power. Financial flows from the central budget to the universities have yet to be optimized in size and direction. The development of a new balance between teaching and research functions

leads to change in priorities in different HEIs. This trend, in its turn, may lead to deeper specialization between the research and teaching HEIs, or differentiation within the HEIs, or emergence of research institutions, or all of these possibilities together. The functions of university governance may change accordingly.

Changing functions of university governance

The definition of governance may vary depending on the field of research. Balderston defines governance as the following: "A general definition of governance refers to the distribution of authority and functions among the units within a larger entity, the modes of communication and control among them, and the conduct of relations between the entity and the surrounding environment." (Balderston, 1995, p. 55) He says that in a contemporary US university the conventional building blocks for governance within the university are its trustees, the executive administration, the faculty, and other groupings and units, such as student government and alumni. Balderston presents the following list of functions that governance comprises: the safeguarding of institutional mission; the provision of a "buffer" between the internal world of the university and its external constituencies; oversight of the financial integrity and viability of the university; the enunciation of major policy standards and the initiation of actions of such magnitude that they could affect the viability of the institution; selection of the president and other key figures in the university hierarchy; the balancing of interests between the contending stakeholders of the university (Balderston, 1995, p. 55). Historical perspective may be important in analyzing possible future changes in university governance.

Universities in Ukraine developed in few different ways because the country was not always within its modern borders and the nation itself was often under the influence of other

countries, including Poland, the Austro-Hungarian Empire, and the Russian Empire. The creation of the university system in Ukraine is reflective of the process of nation-building. This explains why some of the universities tend to identify themselves with the Western European academic tradition while others lean more toward Russia.

The university system in Ukraine under the rule of the Russian Empire has been developed under the scenario different from most European universities. From the very beginning the state was the initiator, promoter, financier, controller, and benefactor of the university system. Moreover, the state was the only institution to perform these functions. Therefore, the university system in Ukraine is traditionally centralized. The Ministry of Education in the Russian Empire was created in 1802, at the time when there were only two universities in the country: St. Petersburg University and Moscow University. Flynn describes creation of the university system in the Russian Empire under the auspices of the newly established Ministry of Education: "It soon was agreed, in 1802, to found a Ministry of Education whose governing body, called the Main School Administration, would direct all education throughout the empire through six universities, which were founded between 1802 and 1804. Moscow State University, founded in 1755, was redesigned in 1804." (Flynn, 1988, p. 3) The ministry subcommittee worked on drafting legislation and the statutes for universities.

Kharkov University, the leading HEI in Eastern Ukraine, has developed successfully thanks to the centralized power and effort of the state-appointed curator: "Kharkov was not so badly off as Kazan, in great part because its curator S. O. Potocki, energetically pursued his task in recruiting faculty, insisted on the election of rector and council according to the statutes, and even found a way to borrow students from the church's local college, when too few students enrolled to make feasible the opening of the university in 1805." (Flynn, 1988, p. 10) Karazin,

regarded as a founder of the University, also contributed to its success. The centralized effort of the state bore its fruits. According to Flynn, “By the late 1830s, none of the universities had fewer than four hundred students while Moscow enrolled nearly nine hundred.” (Flynn, 1988, p. 18) This state involvement in the process of the university building may be explained by two facts: first, the state was the only force capable of creating the university system at once rather than by letting it evolve gradually; and second, the state was interested to create a system where state control would be an immanent part of the existence of the universities.

Flynn describes the position of the state authorities regarding control over universities: “Tsar Nicolas I meant clearly to answer the university question by blocking the university’s ability to promote change. He wanted the universities to serve the common good by supporting the autocratic Russia he had inherited from Peter the Great and his successors. This proved difficult, perhaps impossible, even in the short run. It was difficult even to find new rectors, unless the government was willing to pass over the men obviously best qualified for the posts. Thus, the rectors appointed were the same men previously elected.” (Flynn, 1988, p. 19)

Development of universities in Western Ukraine was independent from the Russian Empire, but still dependent on the state. Lviv University, the leading HEI in Western Ukraine, was founded on January 20, 1661, when King John II Casimir of Poland issued the Diploma granting the Charter for the city’s Jesuit Collegium, founded earlier in 1608. From 1919 until September 1939, in the Polish Second Republic era, the university was known as John Casimir University in honor of its founder. Ukrainian professors were required to take a formal oath of allegiance to Poland; most of them refused and left the university in early 1920s.

Another good example of the state’s involvement in academic life would be Kyiv Mohyla Academy, located in Kyiv, the capitol of Ukraine. The Academy was founded by the

Metropolitan of Kyiv Petro Mohyla in 1615, who adopted the organizational structure, the teaching methods, and the curriculum of the Jesuit schools. The Academy's golden age came to an abrupt end with Hetman Mazepa's defeat at Poltava in 1709. But after Russian Tsar Peter's death, the school revived. Catherine the Second's abolition of the Hetmanate in 1764 and secularization of the monasteries in 1786 deprived the Academy of its chief sources of financial support. The school became a ward of the Russian imperial government and its importance declined rapidly. In 1817 the Kyiv-Mohyla Academy was closed down and reopened only in 1991, after Ukraine regained its independence (UKMA, 2007).

The Soviet system of higher education inherited some of the essential features of its predecessor, the university system of the Russian Empire. Weak university self-governance was compensated for by strong state control. In Coleman's words, "The Soviet Union has built up a single monolithic educational system under omnipresent party control with heavy inputs of political indoctrination at all levels." (Coleman, 1965, p. 226) Despite the lack of autonomy, universities had a state approved model of self-governance, in which rectors were elected by faculty and staff to serve a certain term.

Balderston emphasizes the importance of university autonomy: "Of all the tasks of university governance, the one that is fundamental is the assurance of effective autonomy. The ability to resist intrusion by political groups or fractional interests and the opportunity and obligation to keep the operation of the university self-directed are essential to the integrity of the institution." (Balderston, 1995, p. 63) Other tasks include: the definition and implementation of the university's mission and the approval of long-range plans; the achievement of unified support for major university commitments; the determination of institution-wide policy standards and the delegation of authority; the determination of procedures and standards for appointment,

advancement, and termination of key personnel; the approval of budgets and major financial components and the exercise of financial oversight; the provision of effective crisis management; and the integration of the mix of financial, academic, and institutional commitments (Balderston, 1995, pp. 64-66).

Safeguarding of the institutional mission in Ukraine may be unchallenged by the central government. The open market, however, may be a threat in the short run. A good example may be the numerous for-tuition programs in Ukraine and other former Soviet republics oriented on the production of diplomas, not qualified specialists. Missions of universities to research and to educate are undermined by the market demand for the degrees rather than for specific knowledge.

Another threat to the university mission may be the prevalence of the entrepreneurial mission over the values of scholarship. Managerial decisions may become dominant in choosing the field and focus of teaching and research. Entrepreneurial culture, once settled within academia, may blossom and shade the primary mission of the university to produce and reproduce knowledge. University autonomy does not safeguard from such a scenario and in many instances may encourage it.

The core of academia, traditionally composed of the humanities and sciences, may experience its downturn and under-financing based on the market demand and policy of the central government. The new role of university governance in Ukraine is to balance entrepreneurial and academic bases. The provision of a buffer between the university and the external environment in Ukraine may take either the form of a defensive action or cooperation. Cooperation will require entering negotiations and involvement in political actions. The state is unlikely to provide most of the funds and let the universities decide how they should be used.

The financial integrity of the university and its viability becomes a matter of primary concern in Ukraine. If cutting the central budgeting threatens the university overall, the financial independence of the departments threatens financial integrity of the university. Despite the general opposition of academics to the financial pressure, certain departments and faculties, usually led by strong individuals, have proven very adept at gaining for themselves considerable additional resources by entering the marketplace. This entrepreneurialism does not automatically undermine collegiality, but it sets up tensions in universities.

In the Soviet system, the demand for specialists of different qualifications came from the state, since all enterprises were state enterprises. But there was also largely unsatisfied demand from the side of the population to study social sciences. With the beginning of the reforms, this pre-market demand of the population, supported by the necessary purchasing power, led to the emergence of many for-tuition programs and private for-profit colleges. New programs were created to match the excessive demand on such specialties, as economics, foreign languages, law, history, and journalism. Accordingly, faculties of economics, foreign languages, and jurisprudence were prospering, while traditionally strong faculties of mathematics, physics, chemistry, and other sciences were left to survive with diminishing state funding. Simply put, the new system was focused more on preparing specialists to manage new private enterprises rather than to design and launch missiles.

The structure of university governance within HEIs is quite simple and includes rector, vice-rectors, deans, and chairs. Each university is comprised of faculties and each faculty consists of several departments. While the organizational structure is simple, the tasks for university administration become more diverse and more complex. Historically, some of the universities, established in the Russian Empire, including Kharkov University, had Board of

Trust, but in Soviet times they were abolished. The selection of the rector and other key administrators in the hierarchy becomes a crucial issue since centralized authority attempts to take a leading role in managing universities. The rector is now expected to represent the university in the academic arena, open market, and political negotiations with the central government and local authorities. The balancing of interests between the stakeholders leads to the balance of powers. Structural changes revitalize the political life of the universities and give an impulse to the changing balances of powers and shifting influence of interests of the different groups.

Current changes in higher education in Ukraine require the governing bodies of the universities to initiate actions of such magnitude that they may affect the viability of the institutions. These changes can be seen as a threat to the university stability, financial soundness, and potential for growth, rather than to its very existence. Poor financial conditions of universities in the 1990s did not lead to frequent changes in university leadership. Evidence points to the fact that most of the university rectors, deans, and chairs of departments remain in their offices since the early 1990s. Such visible stability may be reflective of both growing university autonomy from the state and the state's satisfaction with educational leaders elected and confirmed by the state almost two decades ago. Long-term appointments bear the risks associated with adverse selection.

Market orientation will lead Ukrainian universities to acquire some business strategies. Economically successful universities will face the prospect of enlargement. The presence of the single governing board on the home campus will become insufficient, and power in the campuses-branches will be transferred to the managers reporting to the board. Delegation of authority will make some of these campuses-branches financially self-sufficient and

administratively independent. Balderston points out that “Large multicampus systems are so complicated that de facto delegation of many governance functions to the headquarters administration and thence to campus administrators becomes necessary. The governing board has limited purview over the details of finances, programs, and personnel selection. Governance then devolves for the most part on stakeholders other than the governing board, even though the board has final authority.” (Balderston, 1995, p. 70)

Theoretically, in the future, the most successful branches may grow and become independent of their home institutions. In this case, the new governing board will replace the managerial structure. A good example may be multicampus public universities in the US, including the University of California. But this scenario in Ukraine is least likely, because faculty members visit branches for instruction and do not stay or relocate there permanently. There is also a quality issue, since the level of instruction in branches is thought to be lower than in the head institution. Local demand for higher education may decrease significantly, and branches will close, leaving more space for local HEIs. For instance, it is unlikely to expect the enlargement of Donetsk National University and monopolizing of the local educational market in Donbass, while smaller institutions disappear or merge.

Another factor that impacts governing structures is the processes of globalization and internationalization. Internationalization of higher education leads to organizing university campuses in different areas, states, and countries. Rules and regulations in these conditions are different and often unclear. A single governing board is unable to cope with these realities. Organizing campuses abroad requires accounting for local specifics and addressing local demands. For Balderston, “Multicampus systems are susceptible to tampering on the part of local legislators and other politicians, to whom campus administrators and factions may appeal if they

are losers in internal power struggles. A governing board that fails to resist such tampering invites the disintegration of its system." (Balderston, 1995, p. 7)

At this point, Ukrainian HEIs do not extend their presence to foreign countries, and at the same time, the domestic market of educational services is monopolized by national providers. There are a few small branches of Russian universities that entered the academic territory of the country, but the faculty is predominantly from Ukraine. After the branch of Moscow State University (MGU) was opened in Sevastopol in 2001, there was a bilateral agreement set between Ukraine and the Russian Federation that allows for establishing branches of Ukrainian universities in Russia and branches of Russian universities in Ukraine.

College mergers and acquisitions as a part of emerging university conglomerates or educational corporations do not take place in Ukraine. If such processes are to take place in the future, the collegial self-determining institution as the model of university governance will indicate serious short-comings. Managers of the branches will need formal and informal access to the academic community and ensure the diversity that is essential within a mass system of educational provision. Having the process of internal diversification within the enlargement and strengthening hierarchical structure of educational corporations, it may be of primary interest to observe and describe new emerging vertical and horizontal relations and vectors of power within university corporations. External relations among the faculties and colleges embodied in university corporations and their academic counterparts and independent and autonomous smaller colleges as factors shaping new managerial structures may also be of interest for the future research.

Universities are open systems. The primary issue is not whether the administrative authority will become a new center of power or overpower the professional authority in the

universities. The issue is whether the university will be able to respond adequately to the new challenges of the external environment. The task here is to decide if the old collegiate-based or bureaucratic systems of governance will be able to accept the responsibility and act accordingly to address and solve the problems constantly generated by the changing external environment, or whether new powerful management will be necessary. As Partington (1994) points out, there are six areas that will continue to impact managers in higher education: the changing resource base allocation systems; more robust accountability at all levels; the encroachment of government; the influence of employers and other organizations; the impact of technological developments; and fluctuating policies on entry to higher education.

Besides the external pressure from the government to become more financially independent and market-oriented and the market pressure to adjust the curriculum and organizational structure, there is a substantial internal pressure on universities as well. Surprisingly, this pressure comes from the same side that the external pressure does; salaries of academics are often non-competitive. Faculty members require salary increases. The question is: How much professional authority professors will be willing to sacrifice in lieu of the managerial authority to receive better material rewards? A good example here would be a doctor who wants to build his/her practice on medically interesting cases, but is guided by a manager who decides whom to render medical treatment. Here the money incentive dominates the incentive for research. In academia, research and instruction will become more demand driven and will fall under managerial decision-making. The market encourages decentralization and competitiveness, but it also creates monopolies. Higher education in Ukraine is pressed to become market-oriented by the centralized agency, i.e. the government, which monopolizes a number of regulatory functions.

The Bologna Declaration seeks to resolve the issues of mobility, transparency, employability, competitiveness, and attractiveness. International pressures, including recognition of the degrees, the growing population of international students in Ukraine, and international competition on the higher education market require changes. Neave (2003) points out that the relationship between super-ordinate community and national communities now present in the higher education systems of Euroland are in tension. While the Napoleonic model sought to protect the university from over-mighty external interests of the State, its Anglo-Saxon counterpart sought to protect academia from the State the better to allow the university to pursue its dealings with external interests (Neave, 2003, pp. 9-10).

Ukraine has a strong tradition of educating students from abroad, mostly from the developing nations. The system of selecting and educating students from overseas was developed in Soviet times. It involved the Ministry of Foreign Affairs, the Ministry of Science and Education, governments of foreign nations, their embassies, and ministries of education. Millions of foreign students from all continents were educated in the USSR. In Soviet times this system was considered a form of international aid that the Soviet Union delivered to developing nations in exchange for the loyalty of their political regimes. Eastern European students attended Soviet universities as well. After the disintegration of the Soviet Union, students from North Korea and Cuba were replaced with students from China and Arab nations. Universities move on international arena to offer their educational services and generate revenues. Deans visit African and Asian countries that were long-time partners and discover new markets to market educational products. International reputation earned in Soviet times is now used with institutional initiative. The central government may be a good facilitator for the dialog between Ukrainian universities and international markets of higher education. Further internationalization

of higher education and its coordination within the European community will become an issue to be addressed within the next decade.

The position of Ukrainian higher education on the international scene does not make clear how the system will work in the future; rather, it requires determination of the general trends and necessary steps to be undertaken by the government and the higher education institutions. Kerr's formula points to the future: "For the first time, a really international world of learning, highly competitive, is emerging. If you want to get into that orbit, you have to do so on merit. You cannot rely on politics or anything else. You have to give a good deal of autonomy to institutions for them to be dynamic and to move fast in international competition. You have to develop entrepreneurial leadership to go along with institutional autonomy." (Kerr, 1993, p. 330) Corruption, rampant in Ukrainian HEIs, undermines quality of education and its stance on the international market of educational services. Institutional autonomy and name recognition may be needed for universities to curb corruption and regain high recognition once earned by the Soviet educational system abroad.

Neave also points out the assumption that institutions will prove more efficient if they are endowed with a greater degree of autonomy (Neave, 1995, p. 65). There are some success stories that are necessary to the promotion of reform. Successful universities would have to demonstrate a distinctive profile of leadership in reducing financial dependence on the national government, the capability of developing university-industry connections, the strengthening of a formal graduate school, and a steadily moving "up market" in attracting faculty, students, and academic standing among the universities of the world. The ways of changing university governance are different. Collegiums, bureaucracies, and political institutions have different organizational structures and perform these functions differently.

Collegiums, bureaucracies, and political institutions

There is no single correct prescription for changing universities in Ukraine, because they are academically and geographically diverse. They differ in their history, location, culture, organizational structure, student body, faculty, and educational process and content. This paper proposes different approaches to the different types of universities, considering universities as collegiums, bureaucracies, or political systems.

Collegial systems of classical universities

The terms collegium and collegiality are often used in higher education. Bowen and Schuster suggest that collegiality has three major components: the right to participate in institutional affairs, membership in "a congenial and sympathetic company of scholars in which friendship, good conversation, and mutual aid can flourish," and the equal worth of knowledge in various fields that precludes preferential treatment of faculty in different disciplines (Bowen and Schuster, 1986, p. 55). Sanders identified collegiality as "marked by a sense of mutual respect for the opinions of others, by agreement about the canons of good scholarship, and by a willingness to be judged by one's peers." (Sanders, 1990, p. 65) Organizational culture with its symbols, rituals, traditions, and spirit of academic fellowship plays a special role in collegial institutions. Many of the values, norms, and rules are unwritten but shared within the community.

Equal worth of knowledge was characteristic of the Soviet university system and was expressed in equal pay for all instructors independently from their field or specialization. Despite the emphasis on sciences and mathematics, primarily for their use in the defense industry, social

sciences and humanities enjoyed equal recognition thanks to their role in advancing ideological base for the political regime. Such equality maintained the sense of collegiality in universities, even though humanities were overbalanced by sciences. In recent years faculties in social sciences generate much higher income while the role of defense-oriented sciences has declined. This new balance of powers undermines collegiality and leads to the atmosphere of suspicion and envy. At the level of university governance, the change was reflected in that rectors are now often selected from social scientists, unlike in the Soviet times, when representatives from mathematics and physics were given a priority.

Birnbaum says that "Sustaining a sense of community that permits collegial organization requires shared sentiments and values on such matters as the general purposes of the organization, loyalty to the collectivity, and agreement about institutional character as reflected in the shared understanding of members, rather than necessarily by a written document" (Birnbaum, 1988, p. 90). According to Dearlove (2002), collegial forms of governance in higher education are on the retreat. He comments on opportunities for collegiality in university governance:

> Collegial governance seeks consensus through committees and so involves sluggish decision-making that is conservative and biased in favor of the status quo at the same time as it is inward looking and intensive to resource constraints and to external realities. It can be indifferent to institution-wide concerns, degenerating into the selfish pursuit of narrow departmental advantage based on ugly log-rolling coalitions of heads of departments. More than this, it is subversive of institutional leadership and is resentful of both lay and administrator involvement in the running of what are seen as 'their' universities. But such a perspective is increasingly being undermined from within,

> because academics are choosing to withdraw from 'administration' in order to better advance their own careers through research that enables them to avoid a commitment to the good governance of any university. (Dearlove, 2002, p. 12)

Halsley's (1992) notion of 'donnish dominion' decrees that both within universities and colleges the governing bodies are the college fellows. Tapper and Salter (1992) say that sovereignty is not the same as power and that collegiality can be guided by strong individual leadership or wise committees or manipulated by self-serving cliques. The integral idea of collegiality is that nothing can be achieved unless it has the formal blessing of the collective membership.

There are some assumptions built into collegiate government. To work effectively, dons should be interested in participation in the university, college affairs and decision-making. Also, they should be prepared to hold office if necessary. Governing scholars, if needed, may call for technical or professional advice. In this case, college affairs proceed slowly, involving both leadership and management, but dominated by the routines of committees and open to the delaying tactics.

Relative closeness of faculty communities may seem contradictory to the characteristics of the university as an open system. Birnbaum suggests that "An important condition for the maintenance of a true collegial form is that it be comparatively small. Although some believe that the tradition of an academic community could be maintained only in institutions with no more than ten teachers and 150 students, these are probably unduly restrictive limits." (Birnbaum, 1988, p. 91) In Ukraine, alumni rarely represent themselves as graduates of a certain college or university, but always by qualification, i.e. profession they belong to. This may be explained by the fact that in the Soviet times HEIs did not maintain much autonomy within the

centralized system, but were parts of the same system with all the degrees, credentials, and qualifications chartered and recognized by the state. The situation changes slowly as universities compete for recognition and ranking placement. Growing university autonomy brings to the fore sense of individuality, belonging, and trademark. At the same time, the sense of autonomy is diffused by the employment patterns; while in the Soviet times each faculty member held only one full-time position, now just about every college professor has two to three part time jobs in addition to his/her full-time appointment. Part-time jobs in such case are scattered around neighboring HEIs.

Each faculty within a university, if had significant autonomy and self-control, may be an independent actor on the higher education market including planning and generating its revenue. Notable difficulties for undertaking any university-wide centralized action may be compensated by the coordination between the university government and the faculties. Increasing openness of the university to the market will lead to the growing need for accountability.

Birnbaum points out that "As is true of other organizational forms, there is nothing innately effective or ineffective in the collegium. Cohesiveness and the development of powerful norms may reduce effectiveness if the norms emphasize the maintenance of interpersonal rewards. However, if norms emphasize commitment to task performance, then cohesiveness can be used to improve organizational performance." (Birnbaum, 1988, p. 94) Loose coupling in collegial systems has some positive and negative features. The positive features include thoroughness and different approaches in decision-making. The negative features of collegiums are difficulty in mobilizing the institution for the joint action, difficulty in coordination, and low accountability. In Ukraine, collegiums present obstacles for new hires, first of all because of the strong sense of community, belonging to the elite group. Leading universities do not like

strangers, people from outside. This impedes development of true competitive market for job candidates. Hiring decisions are a prerogative of chairs of departments, but new candidates have to be approved by the rector. Private colleges have less social cohesion since many instructors are temporary or part-time.

In collegiums-type universities chairs of departments often have more authority than do deans, while in bureaucracies the balance of powers is reversed. Chairs are more respected as leading scholars while deans are considered as administrators. Bureaucracies have more clearly defined formal hierarchical structures. Accordingly, deans may have more authority than do chairs of departments.

Bureaucratic systems of polytechnics

Birnbaum, based on Blau (1956), considers bureaucracy as "the type of organization designed to accomplish large-scale administrative tasks by systematically coordinating the work of many individuals." He says that bureaucratic structures are established to efficiently relate organizational programs to the achievement of specified goals. When behaviour is standardized, the activities and processes of organizations are made more predictable, so that the organization can become more efficient and effective (Birnbaum, 1988, p. 107).

In bureaucratic systems deans, registrars, and financial officers fill specific roles, but the role and the person are not identical. Birnbaum notes that "People filling roles can be replaced by others (as long as they are technically competent) without having a noticeable impact on the functioning of the college." (Birnbaum, 1988, p. 111) The existing structure will need to be adjusted to the new external and changing governmental and growing market pressures. Also, some officers and administrators may be replaced by the more competent ones while the offices

will be preserved. The offices may be preserved by the replacement of the administrators or the old and irrelevant offices may be abolished and the new ones will be created. In any case, it will be an issue of the competence adequate to the new and changing realities. Effective and efficient functioning of the university depends on compliance with rules and regulations within the administrative hierarchy. Lack of flexibility in educational bureaucracies is partially compensated by the clearness of information flows, subordination, and accountability.

Rules and regulations are created to deal with standard situations that occur on a regular basis. Perrow comments on rules saying that "They protect as well as restrict; coordinate as well as block; channel effort as well as limit it; permit universalism as well as provide sanctuary for the inept; maintain stability as well as retard change; permit diversity as well as restrict it. They constitute the organizational memory and the means for change." (Perrow, 1979, p. 30) Rules can be characterized as neutral. They become either good or bad or both in regard of the certain groups of interests that have to adjust to the rules. Ukraine's polytechnics that were later transformed into universities have defined strong cores according to which the educational process is built. These cores determine relations within the institution and present clear goals and tasks for the different academic and administrative units.

Bureaucracies, such as Soviet polytechnics, are rational organizations. This does not mean that the decisions made in these organizations are the best and most efficient ones. For Allison, "Rationality refers to consistent, value-maximizing choice within specified constraints." (Allison, 1971, p. 30) Rationality here means that the administration works on matching resources with objectives and intentions with planned activities. Optimization is done by matching organization's potential with tasks. Birnbaum says that the hierarchical nature of the universities that are rational organizations presumes that much of the process of determining

goals and deciding on how to achieve them will occur in the senior levels of administration and in particular gives a preeminent role to the president (Birnbaum, 1988, p. 113). Institutional rigidity in the rational organizations is significant and often presents an obstacle in changing formal rules or balances between the centers of authority within the hierarchy. But bureaucracies have their advantages as well.

Weber (1952) explains the benefits of bureaucratic systems as follows:

> Experience tends universally to show that the purely bureaucratic type of administrative organization… is… the most rational known means of carrying out imperative control over human beings. It is superior to any other form in precision, in stability, in the stringency of its discipline, and in its reliability…. However, much people may complain about the "evils" of bureaucracy, it would be sheer illusion to think for a moment that continuous administrative work can be carried out in any field except by means of officials working in offices…. The choice is only between bureaucracy and dilettantism in the field of administration. (Weber, 1952, p. 24)

Weber does not address issues of external environment, power, and politics. His approach may seem incomplete for analyzing the situation where the bureaucratic organization is under impact of external forces, should adapt to the external environment, and tends to move toward political organization balancing powers and resolving the conflicts.

Birnbaum says that the programs created by the universities-bureaucratic systems to enable them to repeat their success may create new problems, and the assurances of reliability that are made possible by the standard operating procedures, programs, and repertoires may prove to be the greatest barriers to organizational effectiveness, particularly during times of rapid changes. "Systems of accountability may lead to the "red tape" so that perfectly reasonable

actions and rules generated in one part of the organization are thwarted by perfectly reasonable actions and rules created in another." (Birnbaum, 1988, p. 118) The essence of contingency theory is that different forms of organization and administration prove to be the most effective under different conditions.

Most of the polytechnics in Ukraine were created during the Soviet period of industrialization and the post-war reconstruction as a response to the phenomenal increase in demand for technical specialists. Polytechnics responded to this environmental and technical task by creating a mechanistic bureaucratic system that appeared to work and was generally accepted by the participants. By now the system needs to undertake substantial changes including possible reorientation in curriculum and specialties. Comprehensiveness leads polytechnics to organizing departments in the social sciences and the humanities. Dill (2000) notes that an economic perspective define and measure academic diversity in terms of program innovation in academic institutions, not only in teaching, research, and public service activities, but also in the processes of production and markets served.

The problem of dualism in control exists in both collegiums and polytechnics, but it is solved differently based on the dominance of one of the forms of authority. In the polytechnics, the administrative authority dominates and is supreme to other forms of authority, including faculty committees and student organizations. This situation finds its reflection in decision-making and institutional culture. New programs necessary to match the market demand are more likely to be implemented as a result of interaction of the president, deans, and department chairs rather than emerge as a result of faculty debate.

Even though all polytechnics are state HEIs, private HEIs also may be organized as tightly managed bureaucracies. Bureaucracies are not limited to public organizations but exist in large private organizations as well. Weber writes about bureaucratic hierarchies:

> The principles of office hierarchy and of levels of graded authority mean a firmly ordered system of super- and subordination in which there is a supervision of the lower offices by the higher ones. Such a system offers the governed the possibility of appealing the decision of a lower office to its higher authority, in a definitely regulated manner. With the full development of the bureaucratic type, the office hierarchy is monocratically organized. The principle of hierarchical office authority is found in all bureaucratic structures: in state and ecclesiastical structures as well as in large party organizations and private enterprises. It does not matter for the character of bureaucracy whether its authority is called 'private' or 'public'. (Weber, 1978, p. 650)

University as a political system

The notion of classical university that becomes popular over the last decade in Ukraine and in Russia is often associated with Medieval universities in Europe and emphasizes fundamental sciences in research, vide variety of disciplines in teaching, cultural role, international outreach, and participation in political life. It tends to become a trend for a university to be regarded as a classical if it was established before the Soviet period. Some of the polytechnics that were established in 19th and early 20th century and now offer a wide variety of disciplines, including social sciences, regard themselves as classical universities.

According to the order of the Cabinet of Ministers of Ukraine, dated September 5, 1996, classical university is a multidisciplinary higher education institution that prepares specialists in

a vide variety of fields, including natural sciences, humanities, technical sciences, and other disciplines. Classical universities conduct fundamental and applied research and cultural and educational activities. Overall, classical university unites in itself three socially significant institutions: science, education, and culture. It may sound paradoxically, but even the definition of classical university is given in the order of the Cabinet of Ministers. This points toward the dominant and de facto the only existing approach to understanding university governance. Classical university is considered by many as a status, along with such statuses, as national university, and hence is expected to be defined by a state body, i.e. executive branch of the government.

Large state universities and polytechnics organized in the nineteenth century and early twentieth century can be seen as collegiums and bureaucracies that transform into political systems. Decision-making is one of the most interesting and complicated issues in the political systems. Cornford presents decision-making in political systems as follows:

> This most important branch of political activity is, of course, closely connected with Jobs…. When you and I have, each of us, a Job on hand, we shall proceed to go on the Square…. The proper course to pursue is to walk, between 2 and 4 p.m., up and down the King's parade…. When we have succeeded in meeting accidentally, it is etiquette to talk about indifferent matters for ten minutes and then part. After walking five paces in the opposite directions you should call me back, and begin with the words "Oh, by the way, if you should happen…." The nature of your Job must then be vaguely indicated…. Then we shall part as before, and I shall call you back and introduce the subject of My Job, in the same formula. By observing this procedure we shall emphasize the fact that there is

> no connection whatever between me supporting your Job and you supporting mine. (Cornford, 1964, p. 30)

Such conversation is unrestricted in its content by any frames and is targeted to identify some touch points in the scholars' interests. These common interests, if found, may lead to building a coalition.

Cyert and March (1963) suggest that college as a political system should be considered as a supercoalition of subcoalitions with diverse interests, preferences, and goals. Bacharach and Lawler (1980) say that each of the subcoalitions is composed of interest groups that see some commonality in their goals and work together to achieve them. Birnbaum points to the difference between the collegiums and political systems and says that "If the collegium can be metaphorically described as a family, and the bureaucracy as a machine, then the political college or university can be seen as a shifting kaleidoscope of interest groups and coalitions. The patterns in the kaleidoscope are not static, and group membership, participation, and interests constantly change with emerging issues." (Birnbaum, 1988, p. 132) Coalitions may overlap and different interests and their representation may overlap too. Birnbaum notes that "In addition, individuals belong to more than one group, and they participate in any political processes, each of which involves different people. The existence of a large number of small cross-cutting disagreements provides checks and balances against major disruptions, so that the agitation of political processes can ironically lead to system stability." (Birnbaum, 1988, p. 136)

Political games are played around the resources. Resource allocation in Ukraine's higher education becomes the number one question in the process of entering the market. Budget redistribution and revenue regulations are the issues to be addressed not only by the central government, but by the different groups and coalitions. No doubt every group will pretend on the

rational position in these issues. Rational approaches to budgeting would suggest that the funding of all programs be reassessed each year, with the costs and benefits of each compared to each other, and decisions based on the optimization of stated objectives. Political process in budget formulation, on the other hand, simplifies calculations and usually leads to outcomes acceptable to a majority of stakeholders.

Faculty, administration, departments, universities, and local authorities build coalitions. Coalitions are formed by individuals in order to achieve a level of power and influence that cannot be achieved by acting alone. Coalitions challenge formal authority or code of informal norms and rules. They are necessary for the process of negotiations. Before educators can decide whether to form a coalition, they weight the potential costs and benefits of doing so.

Bargaining becomes a daily routine as it was with the orders in bureaucratic systems and collegial conversations in collegiums. People who participate in bargaining represent their groups and rarely themselves. Political systems are more vital, flexible, and adaptable to changes in compare with the collegiums and the bureaucratic systems. Bennett identifies three official power bases within the new higher education corporations: “i. The governing body, which is ultimately responsible for all the affairs of the institution; ii. The head of the institution who, subject to the overall powers of the governing body, is the chief executive and responsible for the management of the institution, and; iii. The academic board which, subject to the overall powers of the governing body and the head of the institution, is responsible for the academic activities of the institution.” (Bennett, 2002, p. 290)

Universities as political systems, non-existent in the Soviet times, now develop in Ukraine. Both classical universities and polytechnics tend to become more political organizations but come to it from the different initial conditions. The commonality is that all of the

organizational types are to the certain extend organized anarchies. The characteristics of the organized anarchies are: problematic goals – a loose collection of changing ideas rather than a coherent structure; unclear technology – rather than leaders making conscious choices on operating procedures; fluid participation – the boundaries of the organization appear to be constantly changing due to the great variety in time and effort expended by individual participants. Conflicting wishes of university administration, faculty, parents, students, donors, alumni, legislators, and local communities make difficult to set, pursue, and achieve goals.

Collegiums are more anarchical than bureaucracies, but all types of the institutions share some elements of collegiality, bureaucratic hierarchies, and political coalitions. Several levels of coordination may be found in the organized anarchies. The first one is professional coordination. Professional coordination is internal to the institution and represents coordination of academic and research activities of the faculty members. The second level of coordination is a political coordination. Political coordination exists on the state level as well as the local level. This coordination determines or influences the relations of the institution with the local and the central government. Political coordination may be seen as external to the university. The third level of coordination is market coordination. Along with political coordination, market coordination is external to the university. Market coordination comes into force with universities becoming more open and more market-responsive. Higher education in Ukraine is experiencing an increase in both political and market coordination.

It is often difficult to predict political outcomes for all the parties-participants, including internal and external. In the case of Ukraine, internal participants will include university administration, groups of faculty members, representing different departments and colleges, research personnel, student organizations, and staff. External participants are identified so far as

the central government. The central government, however, is also not homogeneous. It consists of different political groups that lobby their interests and are involved in higher education policy. Such heterogeneity of both external forces represented by the central government and internal organizations within universities explains why political processes are most likely to be unpredictable in their results and impact on both university restructuring and government policy.

Another external force is the open market, including labor market. This force is more homogeneous in its content and diverse in its directions and points of impact than the central government and university organizations combined. Market environment is very flexible and at the same time has a high degree of unpredictability of action and changing conditions, and so is its impact on the political decisions within the universities and the central government. Political decision adequately addressing the market demand today may become irrelevant tomorrow not because of its weaknesses or inherent contradictions but because of changes on the market.

Choosing language of instruction is also a challenge. The state urges all state HEIs to conduct instruction in Ukrainian and encourages private HEIs to do the same. At the same time some of the state HEIs and numerous private HEIs, located in Eastern Ukraine, choose Russian as the primary language of instruction. This is explained not only by political motivations, but by the market reasons as well. Population in Eastern regions of the country presents demand for higher education services in Russian. The situation is such that different faculties in the same state university may use different languages of instruction. In the future, the language of instruction issue is likely to remain an object of negotiations between the universities and the state. Such negotiations may best be conducted if universities are to transform into political systems.

The need for university autonomy and self-governance is based not only on the search for higher effectiveness and efficiency of the higher education system, but also on the ineffectiveness of the state in governing the education sector. The government in Ukraine is in constant political debates and is ineffective in addressing the needs for the public sector restructuring. Moreover, the state may turn to be more violent and authoritarian as related to such institutions, as universities. Universities value freedom, while the state often prefers authoritarian rule and can use blackmail to make them loyal to the regime. The system of corruption and coercion may be applied to HEIs (Darden, 2002, Osipian, 2007, Riabchuk, 2007).

University autonomy guarantees a high level of resistance to external pressures, primarily from the state, but it does not guarantee the prerogative of academic values and intellectual integrity. University autonomy is traditionally considered as independence from the state, but not from the church, or the public. Boards of Trust that govern many HEIs in the US have significant influence on the major issues even though they are not directly related to the academic life of the university. In this sense self-governance is not synonymous to autonomy. University self-governance may be understood more as the governance for academic community by academic community. In this sense, the primary role in decision-making would be allotted to faculty and students, and more specifically, to the faculty senate and student council.

The process of shaping the university autonomy is confronted by the process of amalgamation of the university and the state. University scholars go into power, accepting positions in the state and local administrations and other governmental institutions, such as the National Bank. Many teach part-time in Police academies and Taxation academies that are under the auspices of the Ministry of the Interior. Some even gain ranks in the police hierarchy. At the same time state officials associate themselves with universities. Many are listed as part time

instructors in state universities that are under their patronage. Others are enrolled in doctoral programs, seeking doctoral degrees rather than dedication to scholarship. Such state-university mergers are quite common in large cities in Ukraine.

Part-time jobs of faculty members from different universities lead to inter-institutional diffusion. It indicates market-type behaviour on the level of individual faculty members. However, it remains unclear how faculties of economics in two different universities located in the same city can compete for students and for resources, if same faculty member teaches in both institutions. Inter-institutional diffusion does not contribute to university autonomy, because universities develop stronger ties among themselves.

It is a misleading point that the Central government in Ukraine wants to see universities as well-managed autonomous enterprises able to follow the government's guidelines and act timely and properly. Instead, the government may be very interested in building coalitions within the universities. The central government will build coalitions within the universities, form coalitions, and negotiate with the different groups using different tactics, including persuasion, monetary incentives, and direct administrative pressure. The government will seek the allies among the universities and within the universities. The government's choice of the financial instrument in dealing with the universities may be a right hit as a universal tool, applicable to all the universities. Nevertheless, the central government should develop its relations with different types of the universities differently. If the government will identify political system of the university as a most convenient one to deal with, it should support the process of moving different types of the universities toward the political system of organization. Classical universities should be encouraged to give up part of their collegial tradition while the

bureaucratic polytechnics should weaken their institutional rigidity and hierarchical structure. These strategies will require flexibility from both the government and the universities.

Incentives for faculty members, administrators, departments, and colleges should become an additional tool for the central government to influence universities in Ukraine. In distinction of the financing, the incentive tool should be used on the personal and departmental levels. Departmental funding and faculty salaries and promotions based on the open market orientation and development of entrepreneurial culture are the incentives to be used by the government. These incentives may work better if the government will be involved in the intra-university coalitions.

Conclusion

This paper challenges conventional understanding of university autonomy while considering the reform of higher education governance in Ukraine. The common view that university autonomy is necessary to develop high quality education and science is not taken for granted. The Soviet system was centralized and yet quite successful in developing mass higher education and strong science. Furthermore, weak university autonomy does not necessarily mean absence of self-governance. Instead, self-governance allows universities to pursue their primary goals of educating and creating new knowledge rather then being involved in managing investment funds. In the Soviet system, rectors were elected, while in the US, for instance, rectors are hired from the outside to mange universities. Finally, decentralization of higher education system does not automatically lead to higher degree of university autonomy. Indeed, the state steps out from its funding responsibilities, suggesting instead cost-sharing and revenue generation on the open market, but it also wants to fund and control leading universities and

hence, preserve its influence of the system. Issues of university autonomy, self-governance, and centralization and decentralization are still on the forefront in higher education.

There is a commonly shared perception among the Ukraine's educators that while the country's higher education moves toward Europeanization, European national educational systems slowly transform into US-type models. In fact, the opposite is true. While Europeans systems are incredibly stubborn to any changes in governance and funding, and even the UK is very distant from introducing tuition and decentralized governance, higher education in former Soviet republics is in its large part for-tuition already, and university governance undergoes major changes. Universities in Ukraine are allowed to set their tuition that varies not only by university but by the major. Every year rising tuition reaches new heights (Ksenz, 2006). The Bologna declaration is imposed on university and aggressively implemented by the state while many universities oppose it. This is just another example of the centralized approach to the reform. Furthermore, the Bologna declaration means conformity in standards, not in the ways national systems are governed and funded. What one may observe in contemporary Ukraine is the beginning of de-facto privatization of higher education under the covers of Europeanization and the Bologna declaration. Private HEIs, of which even the most advanced ones cannot compete with state universities, attempt to blueprint their state counterparts in everything, including governance, instead of developing innovative structures and methods of education delivery.

Changes in university governance, including autonomy, are needed not because the old system did not fulfill its tasks, but because of the changes in the external environment, including in the national economy and the social order. System of centralized governance is experiencing changes in its content, functions, mechanisms, and approaches, while remaining in its unity and

highly centralized structure. Bureaucratic and collegial organizations are difficult to adapt and respond to free market forces. Administrative and professional hierarchies, parallel in many dimensions, each of which employs different strategies, behaviour, structure of relations and decision-making, make process of changes nonlinear and diverse.

Functions of university governance in Ukraine will change to respond to the external pressures from the central government and from the market. Uniformity of the central government's reform policy may become inadequate to the plural forms in governance, collegiality and community values within the universities. Internal pressure within the universities, based on increase in political structure including coalition building and negotiations also makes changes in governance inevitable. Unclear goals and mechanisms of the reform, external and internal pressures, mismatch of interests, and conditions of organizational anarchy along with the growing political structure within the universities make prediction about further progress of the reform unrealistic.

Ukrainian government transforms the centralized system into the number of independent free-floating and competing market enterprises. Also, government does not want to loose its control over the universities. The organizational forms of university governance as political systems may be most vital for the timely and adequate responses to the new external pressures from the central government and the market and internal pressures, including faculty and administration alliances.

To oppose the government dictate, it would be logical for universities to build interuniversity coalitions. These coalitions in fact already exist, first of all, in form of the Council of Rectors, and, more importantly, in form of horizontal cooperation between the colleagues from the same departments within the different universities. However, market forces again play

their role here. If universities start to play by the market rules they become competitors on the market of higher education services. And colleagues in the academic dimension today may well become competitors in the market dimension tomorrow. This rivalry creates obstacle for interuniversity coalition building. Solution for this dualistic situation may come with political coalition building and lobbying interests in negotiations with the central government and economic rivalry on the open market. It is difficult to predict which one of the two forms of coalitions will prevail.

Assurance of effective autonomy will lead to improvement of university positions in negotiations with the government and effective operating on the open market. Coordinated effort based on the professional, political, and market levels of coordination should be employed for the successful reform. Fundamental process that needs to take place is transformation from state universities to public universities. Clear division on non-profit and for-profit HEIs is also needed. Higher education in Ukraine is far from reaching its steady state.

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