

General notes to the draft bill on universities (the University Act)

Strengthening the university education, research and interaction with society will contribute to continue the growth and welfare of the Danish society. In this context, a reform of the country's universities is a central part of a composite reform of the Danish knowledge and innovation system, which also comprises a reform of the research council system and governmental research.

This bill constitutes a central contribution to improve the release of Denmark's potential in the international sphere of knowledge economy. If society is to give a higher priority to increasing the resources to the research and educational activities of the universities, it is imperative that increased openness and confidence in a responsible and professionally effective use of the means is created.

Consequently, the purpose of this bill is to improve the conditions and opportunities of the universities to give multi-disciplinary and strategic priorities to the composite educational, research and dissemination activities and to the many complex and fast changing needs of society. A number of the rules laid down centrally that limit the opportunities of the universities to make strategic decisions and lay down focused action plans, must be abolished.

The new progress must start now. It is necessary in order to ensure that new structures have already been implemented when the next large alternation of generations in Danish research takes place in just a few years. There must be even more attractive research environments and improved conditions for the research – otherwise Denmark will be unable to maintain and attract the best young talented researchers, nationally as well as internationally. Alternatively, there is the risk that the quality and relevance of the research may decline, and it is a possibility that in some fields of research Denmark will no longer be able to be at the leading edge or will not venture into new fields to do research. This would reduce the significance of the universities as central bearers of knowledge and culture for the Danish society.

From 2006 the number of young people will start to increase again. Because of that the need for university education is expected to increase. Likewise it is expected that the need for research-based continued education will grow also in the future. The universities are to contribute to ensuring good and relevant possibilities of continued education thus playing their part towards the fulfilment of the Government's target concerning education of a high quality to everybody. This is also the reason why an educational reform must be realised now that can develop the quality of the educations and their relevance to a new generation of young people with other desires and expectations. In this connection a high quality and relevance of the research and attractive educations are decisive factors – also to be able to attract a higher number of foreign students to the Danish university educations.

The bill will lead to a reform of the Danish university system and concerns the tasks, obligations, management, departmental structure and control of the universities by the central political and administrative levels.

Based on a widely supported wish to develop and change the Danish universities, it is a target in its own right to maintain the academic self-government of the universities and their independence of special interests. The universities must guard the freedom of research and the scientific ethics. Leaders (rector, heads of faculty and heads of department) at all levels must

have professional and managerial legitimacy, and the students must continue to exert considerable influence on education, teaching and study conditions.

It is also a target and a condition for the change to strengthen the management of the universities and to enhance the power of the universities to make decisions, act and develop themselves. A strengthened management structure is to be combined with increased freedom from central governmental control – in particular for the educational sector. The quality of research and educational activities must continue to be of the highest international standards to the benefit of the students and society. It is decisive that the priorities of the universities are made stronger and more visible to society. In this connection it is essential to ensure dissemination of knowledge, application and development with an even broader scope of the knowledge and competencies between the universities and their partners.

The universities undertake several general purposes. They are active contributors to furthering the growth, welfare and development of society by educating bachelors, masters and young talented researchers and by offering continued education. The universities are under an obligation to safeguard that the educations are offered on the basis of sound and internationally recognised research thus ensuring the quality of the research-based education. They guard the principles of scientific ethics and freedom of research and undertake basic research, and based on this they maintain essential basic disciplines. By doing this they contribute to maintaining and challenging the cultural and intellectual life and values of society, and they are part of the efforts to ensure a free, objective and critical public debate. The universities are open institutions with dedicated researchers and strong research and educational environments of the highest international standards, and they exchange knowledge and competencies with society.

Denmark must be a powerful knowledge society with a competitive knowledge structure characterised by flexibility and an ability for fast readjustment that will take into consideration the country's small size with its open economic system and majority of small and medium-size businesses relying on medium and low level technologies.

In the knowledge society, the nature of knowledge and education has changed and both are seen in a variety of shapes. University research and education are no longer something exclusive reserved for a limited elite. Knowledge is produced and used by many different organisations, parties and institutions and often in a network based on knowledge exchange, which is a central part of the committed activities of a university. Internationally, the competition on research and education and for students and researchers is large and on the rise. The universities have never had a higher number of students, and people with a university degree are used by all sides of the Danish society and in other parts of the world.

An increasing share of the Danish society makes demands to the universities and has many complex needs and expectations to them – and the demands change with increasing speed. Together these challenges lead to a need for more openness and confidence between the Danish universities and the Danish society. The gap between the universities and the public and private enterprises and institutions must be bridged. We are already witnessing some co-operation and interaction between the universities and society, but this will have to be expanded markedly.

Likewise, the universities need to gain a greater degree of freedom from central control and central provisions if they are to change more rapidly according to these needs and expectations. To do this the management will have to be strengthened, and to an even higher degree the management must be able to give a high priority to the multi-sided and complex demands encountered both within and outside the universities and it must continue the development already initiated.

Preparation of the Act

The bill proposing a new university act is the outcome of a process that started in 2000, among others by setting up the Research Commission, which reported on their findings in autumn 2001. In 2000 and 2001, two self-governing universities were founded with individual boards featuring a majority of external members; the Danish University of Education and the Technical University of Denmark.

According to its manifesto of 27 November 2001, the Government wanted a reform of the Danish universities. In the course of 2002, there were detailed political discussions, which concluded in October 2002 with a political settlement between the Government, the Social Democratic Party and the Christian People's Party for a new university act.

In parallel with the political discussions and probing, 2002 saw a series of conferences organised by different organisations, research councils, political parties and institutions, just like the Minister for Science, Technology and Innovation as well as the Folketing Committee for Science and Technology (the former Research Committee) visited a number of universities as part of the political process. In the course of the year, there have been internal debates at the universities discussing the content of a university reform, and the universities have reported on their particular wishes for the future structure.

With the reform, Denmark joins the group of countries, such as Norway, Finland, Sweden, Austria, the Netherlands, Germany, the UK and Japan, who have recently carried through or are in the process of carrying through similar reforms. These reforms are both part of their efforts to be internationally competitive and to promote wider application of the knowledge of the universities, including development of new partnerships and forms of collaboration.

The Bill

With this bill the universities become self-governing institutions. The bill focuses on the four tasks of the universities: education, research, dissemination of knowledge and knowledge exchange.

The bill also intends to strengthen the management structure, increase the deregulation by state rules and control of the content, and take the freedom to lay down individual organisation structures in the charter further than today.

Education

The bill specifies the educational responsibility of the universities. Based on their research activities, the universities train students to earn the degrees of bachelor, master (candidatus) and Ph.D. and offer research-based continuing education to the adult population.

An essential educational policy target is that this bill is to reduce the student drop-out from the university educations. From an international point of view, the drop-out figures for several Danish university educations are high. Another central educational policy target aims to ensure a high degree of student flexibility and mobility between Danish universities and to/from foreign universities. Mobility increases the educational benefit of the individual student, contributes to a diversified student environment and strengthens the development of society. International students need to see the Danish educational structure as something they can benefit from and that is transparent – also the Ph.D. education. To be able to realise the target of increased mobility it must be genuinely possible to move between educations, meaning also the difficulties of credit transfer must be minimal.

Part of the Government's intentions with the bill is to safeguard the coherence of the educational policy as expressed in the Government action plan *Bedre uddannelser (Improved educations)*, available in Danish) from June 2002.

According to the current university act, the universities are entitled to impose fees for their education, tests etc. on their foreign students. They will continue to be entitled to do so. It is decisive to keep this option to make it possible for Danish universities to be a player on the fiercely growing international market for education along with foreign universities. In fact, it is assessed that at the moment the overall international market for education is equivalent to a turnover of about DKK 250bn (about EUR 33.3bn). This gives the universities the incentive to increase the internationalisation of their educations and contribute to the educations and training modules offered across borders. There is another international trend; the universities form strategic alliances with other universities to prepare themselves for the competition on research and education. This is a challenge that also the Danish universities must have an opportunity to take up.

The target is to ensure that the academic standard of the educations, their relevance, planning and structure are to be developed to match the demands to the research-based tertiary education of a new period. Compared to the present system, the content and structure must reflect the knowledge society's wide needs for competencies to a higher degree. It is essential that the universities continue to safeguard the training of teachers for among other things the upper secondary schools (the Danish *gymnasium*) and the tertiary educations.

The bill proposes that where the educational structure has not already been altered it is to be restructured in order to ensure genuine implementation of the 3+2 structure, that is 3-year bachelor degrees followed by 2-year master degrees (candidatus). The bill allows for the premises of the Bologna Declaration on the structure of the educations and the education system.

The bill introduces a modular structure of all bachelor and master educations. Students with a relevant academic bachelor degree must be entitled to enrol for an academically relevant master degree. Students with a bachelor degree will have a genuine choice between several relevant master degrees – also master degrees at another university. The academic relevance, correlation and progression must be ensured and the educations must have clearer competence profiles that are directed against different jobs within the private as well as the public sectors.

To safeguard the bachelor students a genuine choice of admission and intake to the master educations and hence their legal security, the intention is also to introduce a co-ordinated intra-university enrolment scheme (in Danish: *InterUniversitær Koordineret Tilmelding – IU-KoT*) over a period of years jointly with the universities. Offers will be invited to set up and operate this scheme.

The individual student counselling service is to be intensified. In particular during the final years of an education, the service is to also focus on labour market counselling. In this context and in connection with other student-related services, the universities expand their use of electronic self-service systems. All surveys on the use of computers in Denmark point towards students as one of the groups with the most extensive use of computers in this country. The intimate knowledge of computers exhibited by students offers an excellent basis for introducing sophisticated use of computers at Danish universities.

For a long period of time, the universities have been developing electronic self-service systems for a series of student-related administrative functions. For instance enrolment for exams, courses etc. These university initiatives are closely linked to the Government policy to

strengthen the electronic communication between citizens and public institutions. The target is to create more obvious ways of more flexible and individual counselling and make the administrative treatment more simple, effective and supple – primarily to the benefit of the students.

It is a central target that Denmark has strong university educations. Danish universities have a long tradition of combining international perspectives with solid regional foothold and interaction with regional and local public and private enterprises and institutions. Therefore, the universities are to continue to allow for the regional demand for university education.

The alteration of the content and structure of the educations is to be a staged process – to be initiated once the bill has been passed – taking place over a number of years and following a process that the universities and the Ministry for Science, Technology and Innovation will discuss and agree upon.

Quality Development

It is the Government's ambition to promote and strengthen the development of evaluation processes and methods at the Danish universities. A strengthening of the evaluation system is partly intended to improve the ability of Danish universities to compete internationally on the quality of the educations, partly to contribute to meet other central educational policy targets, such as higher academic standards, increased flexibility, lower drop-out rates and student mobility into and out of the country.

The bill specifies the universities' obligation to constantly and systematically develop the quality of the educations and makes more stringent demands in that respect, this also applies to Ph.D. educations, teaching and student environments. The universities will also have an obligation to draw the students into the quality development and follow-up on evaluations.

The universities' duty to initiate evaluations of teaching, educations and rotations is specified. Quality evaluations of allied educations are to be initiated jointly by the universities. The bill details that the university managements are responsible for conducting and following up on the quality assurance and quality development initiatives. The universities will also be obliged to set up a nationwide corps of external examiners to act as a quality assurance mechanism.

An independent external organisation is to conduct the quality evaluations using internationally recognised principles, methods and procedures. It is up to the universities to choose the organisation to conduct the evaluation. Relevant organisations could be existing evaluation institutions in Denmark or for instance Norway, the Netherlands, Germany or the UK. The most appropriate thing to do would be to integrate the evaluation of research and education where possible.

The universities are to use the evaluations to demonstrate that the educations offered are relevant to the needs of society and of the highest educational standards. In connection with the evaluations and the development of the content of the educations, the universities are to draw relevant users and postgraduates, who have earned their degrees, into the work to ensure a common identity, level and relevance.

The bill details that heads of faculty and in particular heads of institutes are responsible for systematic follow-up on evaluations of education and teaching. The study boards and the study programme directors are to be drawn into the work involved in the evaluations and contribute to the systematic follow-up on the evaluations by the leaders (rector, heads of faculty and heads of department).

The evaluations and plans for follow-up are to be specified in the university development contract, and are to be approved by the Minister. Follow-up on the evaluations is to be described in the university progress reports to be prepared under the development contracts. In their development contracts the universities specify their method of evaluation and the frequency. Also in the development contracts the universities are to lay down clear and binding guidelines for the election of an evaluation organisation for the quality evaluations. By introducing similar evaluations in other countries, the quality evaluations will form a natural part of the benchmarking with other Danish and foreign universities. The idea is that benchmarking is to be a part of the university development contracts.

The evaluation reports and the plans for follow-up on the educational and quality evaluations are to be available to the public.

In their charter, the universities are to lay down clear guidelines for the documentation systems to be used in connection with the evaluations and follow-ups. Together with the evaluations, the documentation systems are to give a high quality to the educational activities, the information and decision basis available to the management, and are to constitute an active management tool.

According to the bill, the Minister is to lay down general guidelines for the quality development initiatives. The bill also makes it possible for the Minister to instigate evaluations on his own initiative in special cases, where it must be assumed that an education does not live up to the standard demands of a research-based education and where the university does not take their own measures to set the matter right, for instance by instigating an evaluation.

The bill also proposes that the Minister may revoke the approval of an education if it does not live up to the quality demands applicable at all times.

Evaluation of departments, educational environments etc. will still be possible following talks between the university and the ministry.

As has been possible so far, the Danish Evaluation Institute may instigate evaluation of university educations following talks about the department action plan with the Minister of Education and the Minister for Science, Technology and Innovation as laid down in the royal decree of 27 November 2001.

In connection with conclusion of new development contracts, the Minister will report to the Folketing (the Danish Parliament), and in this connection, the Minister will specify the quality development mechanisms to be established by the universities and the number of planned and perhaps conducted evaluations, including quality evaluations.

Research

The bill maintains that the universities will conduct basic research and that they are under an obligation to guard the freedom of research linked to the universities.

As can be understood, the bill establishes that the universities are free to administer their academic inheritance. All the academic disciplines, from the humanities via theology, social sciences and health sciences to agricultural science, science and technology, all contain significant insights and knowledge that must be kept up-to-date and developed.

To be able to protect the university freedom of research it is decisive that there is in fact a solid basis of free research. Public basic research activities with a long perspective are the foundation for interaction of the universities with society. It is a prerequisite so that the

universities can form strategic collaborative partnerships with other Danish as well as foreign universities, governmental research institutions, educational institutions and with public and private business in Denmark and abroad. The existence of strong and free basic research activities is a basic condition if the universities are to be seen as attractive partners at all.

The universities must guard the ethics of science. This applies for instance in relation to the protection of research subjects (human guinea pigs), commercial exploitation of inventions and forgery or twisting of scientific news.

The importance of good and visible management of the research activities and environments is an established fact. For more students to see the education as a researcher as an appealing career path, there will have to be good research environments. The bill underlines the need to strengthen the management structure by employing rectors, heads of faculties and departments and emphasises the demands and expectation to them.

Dissemination and Exchange of Knowledge

The bill specifies the universities' obligation to exchange knowledge and competence with – and disseminate knowledge to – society. Based on their research and educational activities the universities are to provide society with research results and knowledge with a view to promoting growth, welfare and development of society. In this context, the universities are to collaborate with other universities, educational institutions and research institutions, also governmental research institutions.

The bill emphasises that the universities are to continue to encourage their staff to contribute to and participate in the public debate about important social aspects.

To an increasing degree, the national and international competitiveness of the Danish businesses sector rests on a functional, coherent and competitive knowledge and innovation structure where public and private players act out a closely-knit partnership. The bill intends to ensure the universities new and better opportunities to be equal and competent parties in the overall knowledge and innovation system in Denmark. For instance the Technical University of Denmark is conducting talks with the intention of merging with the science park at Hørsholm.

The bill further proposes that following the forthcoming evaluation of the Danish act on inventions at public research institutions (in Danish: *Forskerpatentloven*), which also comprises the universities, a complete set of rules be set up for the different types of external activities performed by the universities, which includes science park activities, innovative environments, patents etc. These rules are to detail any new opportunities open to the universities.

As a result of this the universities will actively and to the benefit of both parties exchange knowledge and competencies with a multitude of players, organisations, authorities and public and private enterprises.

Whilst being a natural partner for business enterprises and public organisations nationally and internationally, the universities should continue to be a central link between the cultural identity of Denmark and European and international culture. This is a side of the university values to develop even further.

The bill proposes that all universities contribute to making the latest knowledge available to non-research based tertiary education, including professional bachelor degree programmes and short tertiary educations. On the one side, the collaboration rests on the universities' research, research profiles and research programmes, on the other side, on the professional education programmes and the practical challenges facing the trades.

Management Structures

The bill proposes that the universities become self-governing institutions. To achieve this the executive management structure will have to be subjected to reforms. It is necessary to introduce boards with a majority of external members. The chairman of the board is to be found among the external members.

There must be not less than two students on the boards, and there must be representatives from the scientific and technical and administrative staff. In fact it is assumed that the influence of the technical and administrative staff takes place via the local liaison committees.

The future boards and rectors will be responsible for fulfilling the targets set out in the new development contracts. The new development contracts are to lay down clear objectives and success criteria as well as describe and render visible the vision and target areas of the individual university within the university's four main tasks.

This is the result of the development efforts that were initiated with the University Act of 1992. According to this act the universities could experiment with their departments, they could introduce other ways of managing the tasks for their boards and employed leaders (rector, heads of faculty and heads of department) – often focusing on external partnerships. At the time, these experiments were regarded as exceptions. Today, a high number of self-governing and often large institutes have been set up with boards and employed leaders.

In 1999 the IT University in Copenhagen was set up as a free faculty under Copenhagen Business School according to the exemptions provided in the University Act applicable at the time. The IT university has developed new and profitable partnerships relative to education and research across disciplines, such as the sciences of computer, media, communication, organisation etc. In addition, a large number of students have profited from the cross-disciplinary collaboration between the four universities in Western Denmark within the framework of the IT university in Western Denmark (*IT Vest*). It has turned out that these IT universities provide significant contributions to strengthening the computer competencies of Denmark, and a recent international evaluation of them was positive. The bill proposes that the IT University in Copenhagen becomes an independent university. In parallel with that the bill proposes that the strong educational collaboration that takes place in connection with the IT university in Western Denmark is made permanent.

In 2000 and 2001, two self-governing universities were set up featuring their own boards with external majorities – the Danish University of Education and the Technical University of Denmark. With this the two first Danish universities went along with the structure that applies to most of Denmark's institutions for short or medium-term tertiary educations.

With this bill, all Danish universities become self-governing institutions featuring boards with external majorities and employed leaders (rector, heads of faculty and heads of department).

Institutional Self-government

This bill establishes institutional self-government for the present state-run institutions among the universities. Self-government and the self-governing institution are well-known concepts within public service, and the concept has been used for at least about a hundred years, especially in connection with institutions within the education and social sectors. The concept covers two different clearly defined legal entities, that is the civil law entities known as foundations, cf. the act on foundations (in Danish: *Fondsloven*), and the concept of special

administrative entities pertaining to public law, which comprises for instance DR Radio and TV or the Danish National Research Foundation. For further details, please refer to the publication *Fonde med offentlig interesse (Foundations of public interest)*, available in Danish), Copenhagen 1998, issued by the Ministry of Finance.

The special administrative entities are separated from the rest of the public administration by law, which also defines the measure of independence that the administrative entity concerned is to be granted in relation to the rest of the public administration. Therefore these special administrative entities are not governed according to clearly defined principles, and the measure of independence may vary considerably from one area to the other. It is, however, a characteristic feature that they are not included in the governmental hierarchy and that they are not under the directions of the minister concerned. Consequently, there is no legal title to protest against the decisions of the institution to the minister. It is, however, suggested to maintain the possibility to protest to the minister in terms of student protests of legal issues.

Normally, the management will be left in the hands of an independent board to be appointed by the minister or others. They do not receive funding under the state rules of appropriation, instead their funding comes from other sources, for instance they have accumulated capital as has the Danish National Research Foundation, or they are financed through user fees or government subsidies. Furthermore, they are legal persons, that is they may bear their own rights and obligations, and they may institute proceedings in a court of law in their own name. Their tasks will typically be clearly defined in terms of discipline(s) covered or geography.

For the institutional self-government as described in the bill to work, the present Government institutions among the universities will become special administrative entities under the provisions of the bill. When it has been chosen to use the term self-governing institution (in Danish: *selvejende institution*) it is because this concept is used elsewhere in the educational sector and because it is used by the budget rules issued by the Ministry of Finance. Furthermore, this concept has already been used in connection with the self-government schemes for the Danish University of Education and the Technical University of Denmark. The intentions of the bill are consequently to achieve more homogenous rules of governance for all the Danish universities.

Pursuant to the bill, the board is to undertake the interests of the university as an educational and research institution in compliance with the university purpose as laid down in the charter, and is responsible for determining the guidelines of the organisation, its activities from a long-term perspective and its development. In this context, the administration of the university economy is a central part of the responsibilities of the board. The universities change to separate financing in the form of subsidies, and the universities will be given the opportunity to compile funding separate from the treasury, for instance through savings or revenue from requested funding or patents etc.

The proposed establishment of institutional self-government with boards and leaders (rector, heads of faculty and heads of department) that answer to the board is decisive to increase the freedom of the universities in relation to the Minister and other parties of the public administration, which the universities have wanted for a long time.

It is proposed that the universities get a certain measure of freedom, and it has also been attempted to establish a degree of flexibility that will make it possible to increase the measure of freedom as the rules are simplified, the red tape dismantled etc. This means that from a long-term perspective further competencies will be added to the universities and with that freedom relative to the Minister and other parts of the public administration.

The universities will, however, continue to be under supervision by the Minister. One of the effects of this is that the Minister may intervene in the board as the university executive authority, if it does not live up to its responsibilities in compliance with this bill.

Financially, the status of the universities will continue to differ. According to the bill, all universities will get the opportunity to compile capital separate from the Government assets as such, but in relation to the buildings, the bill only provides that the present Government institutions among the universities take over the buildings at a later point, with the approval of the authorities making the grants.

Management Structure

The proposed reform of the university management structure is to strengthen the management and further the university powers to act and make decisions. The bill combines the management reform with extensive freedom for the universities to lay down their organisation structure in a charter.

Together the members of the board are to contribute to the promotion of the strategic and general development of the university based on their experience and insight of education, research and dissemination and exchange of knowledge. There should be representatives covering non-domestic research and educational experience. The boards will have a majority of external members and there will be representatives from the students, the scientific staff and the technical and administrative staff. The work of the board must be surrounded with openness, which is provided for in the bill and to be specified in detail in the individual university charters.

The university may set up a representative assembly, which besides its advisory functions may appoint some or all of the external members of the board, if the university wants this.

In future, rector and the heads of faculty and the heads of department will be employed. As the overall principle, the board employs rector. Rector employs the heads of faculty, who employs the heads of department. Furthermore, the heads of faculty appoint study programme directors upon the recommendations of the study boards. The employment procedure is to ensure their professional and managerial legitimacy. One or more academic council(s) are to be set up at each university. These councils will handle academic questions and make statements on all academic questions of material importance to the academic activities of the university.

A management reform is to safeguard that research activities, education and knowledge exchange continue to be elevated to the highest international quality standard. In general, the management reform is to contribute to maintain and strengthen the process of changes that started with the many attempts at developing organisational structures and educations.

Simplification of Rules and Dismantling of Red Tape

One of the central objectives of the Government's university policy is to ensure self-government for the universities and to simplify the rules where rules applicable to Government institutions inexpediently bind the universities.

The universities have already today a considerable degree of self-government relative to economy because they receive block grants for research, education and other purposes. The present University Act does not lay down any rules on this aspect, apart from S. 9(2), which says, among other things, "the institution shall abide by the premises on which the grants

were founded and by the rules of disposal, and carry out the tasks for which the appropriation has been made in pursuance of". This financial self-government structure will be maintained.

The building taximeter scheme gives the universities the incentive to ensure economically viable building administration scheme and effective use of their facilities.

In the cases where a university wants to take over all or some of the state-owned buildings of which they are tenants, the terms and conditions for such transfer are to be specified, this includes a transfer sum. These terms and conditions are to be tailored to suit the needs of the individual university, and normally the transfer is to be cost neutral to the state.

Having changed over to self-government, the universities are to continue to adhere to the provisions of applicable legislation, the acts on the access to public administration files, on the administration, the ombudsman, the Auditor General, public accounting and public building (in Danish: *offentlighedsloven, forvaltningsloven, ombudsmandsloven, rigsrevisorloven, lov om statens regnskabsvæsen and statsbyggeloven*). These provisions apply to Government institutions and to self-governing institutions that receive more than 50% of their income via public appropriations. The universities organise their own administrative procedures within the framework provided by the bill.

Together with the new freedom to accumulate capital, handle staff issues etc., the political desire to simplify the rules and provisions is to partly support the management's possibilities to make decisions and act and provide a known framework, partly contribute to create better opportunities to nurse talents through strategic career planning, one of the purposes being to solve the problems involved in generation transfer.

The most important condition for the new freedom is the introduction of a stronger management structure at the universities, that is boards with external majorities, employed rectors and employed leaders. In view of this, a process will be initiated to modify the job-related structure and the ministerial order on employment.

It is also proposed that the rules applicable to education are simplified and the academic central control reduced. As a result of this the procedure that has so far been followed in connection with the approval of new educations will be altered. The five present educational councils are abolished. The intention of the bill is to reduce central control and increase academic self-government.

Most of the provisions of this bill directly result from the universities' change of status to institutional self-government, and as a result the mandates mostly concern economic issues. The idea is to reduce the present number of about 150 ministerial orders to about 20. Furthermore, the ministerial approval of new educations will be limited to primarily an assessment of the economic aspects relative to the taximeter grading and of society's need for the education. The universities are to safeguard the academic environment, content and relevance of new educations.

This bill integrates the university-relevant provisions and mandates from the act on open education (professional adult education) into the University Act. The present act on universities etc. (the University Act) and the act on business schools and business school departments are repealed. Furthermore, the bill proposes that the Minister – subject to discussions with the board of the Technical University of Denmark and the board of the Danish University of Education – may fully or in part repeal the acts on the Technical University of Denmark and the Danish University of Education. This would mean that all universities in Denmark would be covered by the same act.

The bill will be subjected to legislative monitoring.

Assessment of the Consequences of the Bill

Financial Consequences to the State, Municipalities and County Authorities

According to the bill, the university appropriations will change to subsidies to be paid as block grants (the taximeter scheme) to cover the direct and indirect expenses of the university activities.

It is estimated that the bill will be cost neutral to the state. The advantages of the increased efficiency resulting from the bill are expected to compensate for any additional expenses incurred by the implementation of the management reform etc.

When changing over to self-government, the universities become special administrative entities and will have to adhere to the general provisions on taxes and expenses etc. to a greater extent. One of the consequences of this is that the Minister, as set out in the bill, reimburses the universities' tax related expenses pursuant to the act on VAT. The universities are not expected to incur additional expenses by this.

Administrative Consequences to the State, Municipalities and County Authorities

The bill proposes a simplification of the provisions, among other things in the form of a considerable reduction of the number of education-related orders. Also the taximeter scheme will be made simpler. In addition to these measures it is the intention to continue to update the provisions even further, if conditions allow it.

The universities are extracted from the Government accounts, and the ministry is to set up another model for the economic administration of the universities comprising issue of rules, payment of subsidies, treatment of accounts and auditory matters. The universities have to adapt to these conditions. It is estimated, however, that this is compensated for by the efficiencies gained through the bill.

Financial Consequences to the Business Sector

The bill is expected to have an indirect positive impact on the economy of the business community, because the bill intends to strengthen the university education and research and improve the interaction with the Danish society, including the private business sector. The intention is to release the Danish potential into the international knowledge economy.

Administrative Consequences to the Business Sector

The bill is not expected to have any administrative consequences to the business sector.

Environmental Consequences

The bill has no environmental consequences.

Administrative Consequences to Citizens

The bill is not expected to have any administrative consequences to citizens.

Community law aspects

The bill does not implement community law.

Assessment of the Consequences of the Bill

	Positive consequences/reduction in costs (if yes, please specify extent)	Negative consequences/additional costs (if yes, please specify extent)
Financial consequences to the State, municipalities and county authorities	None	None
Administrative consequences to the State, municipalities and county authorities	Simpler rules. Simpler taximeter scheme. Fewer education-related order.	When changing over to self-government, the universities leave the government accounts, and the Ministry for Science, Technology and Innovation another model for the economic administration of the universities comprising issue of rules, payment of subsidies, treatment of accounts and auditory matters.
Financial consequences to the business sector	None	None
Administrative consequences to the business sector	None	None
<u>Environmental consequences</u>	None	None
Administrative consequences to citizens	None	None
Community law aspects	The bill does not implement community law.	