Analyzing Choices of University Autonomy in Taiwan
-A Case Study of Faculties' Pay

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Analyzing Choices of University Autonomy in Taiwan-A Case Study of Faculties' Pay

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Abstract

This research explores the effect of "limited autonomy" through analyzing the policy formation on "performance-based salary project" implemented in Taiwan. By a census on 165 universities and in-depth interviews on five vice presidents from research-oriented universities, this study detects how "limited autonomy" influences the policy process.

With the trend of new public management, European and Asian governments authorized universities with organizational autonomy to upgrade their competitiveness(Salmi, 2009; European Union, 2007; European University Association〔EUA〕, 2011). Among them, two choices with different policy cost have prevailed in Eastern Asia. "Complete autonomy" was chosen by Korea and Japan by empowering universities in a completely changed system while "limited autonomy" adopted by Taiwan delegating universities in an unchanged environment. Though the two models have been implemented for a decade, policy makers still lacked practical evaluation to observe which works better.

Multiple-stream framework, complete analysis structure about policy process, will be adopted to explore the characteristics of diverse policy streams led by limited autonomy at both university and government level. This research detects politics stream, policy stream, problem stream and policy window, which conceptualized by the multiple-stream framework. For higher education researchers, university autonomy, having been explored for a long time, will initiate its linkage with practical evaluation of policy.

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Introduction

In Eastern Asia, two kinds of reform models on universities' governance emerge in this decade. *"Complete autonomy"* represents a government delegates an university with the autonomy exercising in a new corresponding system. University incorporations practiced in Japan and South Korea demonstrate the exact example. Meanwhile, limited autonomy presents an additional autonomy to universities in existing mechanism instead changing original structure. Those policies can be observed in Taiwan. Though those emerging models have been adopted for a decade, so far there's still limited relative research or evaluation about their respective influence on higher education. In this study, we examined higher education policies led by "limited autonomy" in Taiwan.

Universities autonomy has been a contested concept to higher education researchers; diverse interpretations from various lens competed to draw the exact picture of university autonomy. However extant literatures aimed at describing essence of autonomy or general phenomena influenced by autonomy, we hardly find analyses about specific effects caused by those autonomies. Elaborating on that research gap, we lack exploration on the linkage with policy and university autonomy. At macro level, how university autonomy goes through the policy process to become an formal agenda hasn't been clarified. Moreover, at micro level, if the impact of university autonomy embedded in policies influencing institutions' policy process hasn't been validated. Thus, in order to fill this research gap, this study will evaluate policy process from governments at macro level and empirical effects caused by universities autonomy at micro level.

In 2010, Taiwan's government initiated Performance-based Salary Project（PBS）. By this project, universities were authorized to raise top faculties' salary to a great scale and to recruit excellent researchers with high pay. At the same time, those universities would bear more responsibility on faculties' performance and institutional competitiveness (MOE, 2010). In PBS project, the autonomy delegated from a government exercised in an unchanged system. Policy makers decided to put the new measurement in existing operational environment. Thus, the Performance-based Salary Project is a practical case to evaluate the effect of limited-autonomy on the basis of our classification aforementioned.

This study focused at policy process of limited autonomy; it addresses following research questions.

1. What is the characteristic of politics stream led by limited autonomy?
2. What is the characteristic of problem stream led by limited autonomy?
3. What is the characteristic of solution stream led by limited autonomy?

Empirical findings are based on a multi-method study involving a survey of one hundred and sixty-five universities in Taiwan, and the in-depth interviews from vice presidents in public research universities in Taiwan. Study caveats are discussed later.

Literature Review

In this section, development of university autonomy will be analyzed first; that provide a holistic background for us to introduce limited autonomy, an innovative concept proposed in this study. Moreover, we review the connection between university autonomy and policy process. By observing Taiwan's development of higher education policy, we find university autonomy won't be realized until it's embedded in higher education policies. Thirdly, we will review the current condition of university in Taiwan; this part will offer background information for readers. Last, Performance-based Salary Project, the target project for analysis, will be elaborated.

Development of University Autonomy Research

A majority of extant literatures focus at describing essence of autonomy or general phenomena influenced by autonomy. After reviewing previous literature on university autonomy, those studies can be categorized as following issues in a chorological sequence.

1. Definitions of university autonomy

From 1965 to 1980, researchers focused on defining universities' autonomy from following perspectives, including functions of institutional autonomy, elements of autonomy, and autonomy in diverse political frameworks (Encel, 1965; Ashby, 1966; Neave, 1988; Brown, 1990). Relative researches emphasized in cross-border comparison.

2. Catalogues of university autonomy

In order to provide a framework for policy analysis, scholars tried to generalize and categorize the concept of autonomy after 1990. Berdahl (1990) proposed his research concepts about substantive autonomy and procedural autonomy; Anderson and Johnson (1998) identified areas relative to universities' autonomy, inclusive of governance, academic standards, and so on. In comparison to prior research, clear catalogues of autonomy facilitated researchers to conduct systematic analysis for national or international policies. However, the exploration still remained at conceptual analysis. For instance, Moses (2007) adopted Anderson and Johnson's framework to review Austria's universities' autonomy and Billiton and Li (2000) operated Berdahl's concept to analyze autonomy in Canada, China and Britain.

3. **External connection of university autonomy**

After 2000, external environment and relationship become influential to universities, and researchers lead to discuss the relationships among institutional autonomy, academic freedom, accountability and governance (Marton, 2000; Rosa, 2007; Sirat, 2009). Rosa (2009) explored the interaction among institutional autonomy, academic freedom, and accountability in universities in Latin America and America. Sirat (2009) explains autonomy on state-university relationship and the rise of new public management and neo-liberalism.

Policy Formation and University Autonomy

Empowering autonomy to universities has become the universal awareness from global governments. Since accountability is meaningful only to the extent that tertiary education institutions are actually empowered to operate in an autonomous and responsible way (Salmi, 2009). Based on the nuanced context of policy formation, global governments illustrated different dimensions of university autonomy. In spite of these differences, these autonomies still share identical traits to policy practitioners.

In Europe, in order to facilitate the achievements of European Higher Education Area (EHEA) and strengthen the completion of the European Research Area (ERA), the European Commission (EC) and most European Governments have recognized the need of university autonomy. Not only the European Commission sets creation of a new framework as priority to improve autonomy, the Council of the European

Union also makes a clear link between autonomy and the abilities universities to meet social expectations (European Union, 2007; European University Association〔EUA〕, 2011).

The representative dimensions of European university autonomy come from the exploratory study from EUA. For the EUA has been devoted its attention to the development of autonomy, they expect to facilitate debates about the correlation of autonomy with institutional performance, excellence, quality and efficiency by the report mentioned above. This report was drafted in 2007 to evaluate their members' autonomy by balance scorecards (EUA, 2009). In this report, EUA defines university autonomy based on their Lisbon Declaration in 2007. These four dimensions of university autonomy are represented below (EUA, 2007, 2009, 2012).

1. **Organizational autonomy**
   This autonomy is designed for institutional structure and governance. With this autonomy, universities are delegated to construct their structure of governance and to design governing bodies, to make contracts, and to elect decision units.
2. **Financial autonomy**
   Universities are allowed to acquire and allocate fund, to charge tuition fees or to borrow and to raise money by being equipped with this autonomy. Also, in terms of property, this autonomy also contains the ownership of land and buildings as well as the flexibility to set up their own financial accountability tools.
3. **Staffing autonomy**
   This autonomy facilitates higher education institutions to recruit staff, set up their own standard of salary and decide relevant issues on employment, such as civil servant status and contract.
4. **Academic autonomy**
   Universities can define their academic profiles, control on student admission, decide on degree supply, and set up their own quality assurance mechanism by obtaining this autonomy.

Table 1

University Autonomies in European Universities

Organisational autonomy	Financial autonomy	Staffing autonomy	Academic autonomy
• Selection procedure for the executive head	• Length and type of public funding	• Capacity to decide on recruitment procedures (senior academic/senior administrative staff)	• Capacity to decide on overall student numbers
• Selection criteria for the executive head	• Ability to keep surplus		• Capacity to select students (BA, MA)
• Dismissal of the executive head	• Ability to borrow money	• Capacity to decide on salaries (senior academic/ senior administrative staff)	• Capacity to introduce programmes (BA, MA, PhD)
• Term of office of the executive head	• Ability to own buildings	• Capacity to decide on dismissals (senior academic/senior administrative staff)	• Capacity to terminate programmes
• Inclusion and selection of external members in governing bodies	• Ability to charge tuition fees for national/ EU students (BA, MA, PhD)	• Capacity to decide on promotions (senior academic/ senior administrative staff	• Capacity to choose the language of instruction (BA, MA)
• Capacity to decide on academic structures	• Ability to charge tuition fees for non-EU students (BA, MA, PhD)		• Capacity to select quality assurance mechanisms and providers
• Capacity to create legal entities			• Capacity to design content of degree programmes

Note: Estermann, T. & Nokkala, T. (2010).

In terms of university autonomy, Organization for Economic Co-operation and Development (OECD) also announced their evaluation on university autonomy equipped by their member countries. From OECD's perspective, university autonomy is essential for higher education institutions to face challenges from complex environment. And policy makers should bear in mind that how the governance of universities assures their independence and dynamism to strengthen universities' impact on society and economy (OECD, 2003). According to the survey of OECD, university autonomies are categorized into following dimensions.

1. Owning buildings and equipment
2. Borrowing funds
3. Spending budgets to achieve their objects
4. Set academic structure or course content
5. Employ and dismiss academic staff
6. Set salaries
7. Decide the size of student enrolment
8. Decide level of tuition fee

Table 2

Catalogues of University Autonomies from OECD

Table 3.1 Extent of autonomy experienced by universities[1]								
Institutions are free to:								
	[1] Own their buildings and equipment	[2] Borrow funds	[3] Spend budgets to achieve their objectives	[4] Set academic structure/ course content	[5] Employ and dismiss academic staff[2]	[6] Set salaries[2]	[7] Decide size of student enrolment[3]	[8] Decide level of tuition fees
Mexico	●	▹	●	●	●	▹	●	●
Netherlands	●	●	●	▹	●	●	●	▹
Poland	●	●	●	●	●	▹	●	▹
Australia	●	▹	●	●	●	●	▹	▹
Ireland	●	▹	●	●	●	▹	●	▹
United Kingdom	●	▹	●	●	●	●	▹	▹
Denmark	▹	●	●	▹	●	▹	●	▹
Sweden	▹	▹	●	●	●	●	▹	
Norway	▹		●	●	●	▹	●	
Finland	▹		●	▹	●	●	▹	
Austria	▹		●	●	●	●		
Korea (national – public)			▹	▹		▹	●	
Turkey				▹	▹		▹	
Japan (national – public)				▹	▹			

Legend: Aspects in which institutions:
● have autonomy
▹ have autonomy in some respects (see the Appendix for details).

Note: Newby, H., Weko, T., Breneman, D., Johanneson, T., & Maassen, P. (2009).

In additional to OECD and EUA, World Bank propels an integrative catalogue on university autonomy as well. WB divides universities' autonomies into substantive autonomy and procedural ones (Berdahl, 1990;Raza, 2009). Based on the argument of WB, the substantive autonomy covers the sphere of academic and research, while procedural one contains non-academic areas overlapped with many financial matters. The concept, limited autonomy, which we proposed makes the stream of knowledge step advanced. It will not only defines, categorize or explain relationship; in this study, empirical effects of polices caused by universities autonomy will be presented

Definition of limited autonomy

Limited autonomy in this research is defined as that a government delegates national universities additional procedural and substantive autonomy in the unchanged mechanism. According to Berdahl (1990), the relationship between higher education institutions and the government can be classified into "substantive autonomy" and "procedural autonomy". Substantive autonomy represents the power for a university to determine its own goals and programs while procedural one demonstrates the

power for a university to determine the means by which its goals and programs will be pursued.

University Autonomy and Policy Process

Policy processes, which integrate stakeholders' diverse voices and brew critical elements of policy agenda, demonstrate the exact potential access for university autonomy. However, higher education scholars have increasingly relied on the conceptual body of literature produced by political science and public policy scholars to explain policymaking phenomena (Leslie & Berdahl, 2008; Lesile & Novak, 2003; McLendon, 2003a; Mills, 2007). Especially when it comes to systematic analysis about policy process, we find very limited research in social policies, not mentioning education policy. Thus, the author conducted a cross-disciplinary research by adopting the theoretical framework from political science. Theory of policy process, which used to apply on political science, will be the research tool in this article.

Policy process and university autonomy in Taiwan's higher education

After reviewing the literature of policy process, there're four streams categorized by the integrative extent. They are rational-comprehensive model, incremental model, advocacy coalition framework and revised garbage can model; when we observe the development process of university autonomy from higher education policies, those streams of policy process show obvious linkage with the role of universities in autonomy at each development stage in Taiwan.

1. Stage of Rational-comprehensive Model

In 1970, rational-comprehensive model emerged. At the heart of this model resides a series of rigorous analytical procedures that decision makers employ to calculate the cost and benefits of considering certain problems and pursuing alternative solutions (MacRae & Wilde, 1979; Simon, 1957; McLendon,2003). While we traced back symbolic policies in Taiwan from 1971 to 1985; central government focus on law revision to provide rational basis for stakeholders in higher education. During this period of time, University law, the Private School Law, the Junior College Law and the Teacher's College Law were revised under the central plan rationale and the roadmap has great emphasis on the economic shift and development strategies of this country.

2.   Stage of Incremental Model and Advocacy Coalition Framework

Under the constraints of time and information, policy makers often failed to reach rational-comprehensive model. Thus, from 1980, incremental model is proposed. They prefer to solve problem gradually but in time. Lindblom (1959) elaborated on Simon's "bounded rationality" to characterize policy process as a long series of political, and only semi-analytical, steps with no clear beginning and ending (Cobb & Elder, 1983; Lane, 1983). Meanwhile, advocacy coalition framework followed up. This framework focuses on the participants in policy formation, Sabatier and Jenkins-Smith (1993, 1999) conceptualized that policy process is chiefly characterized by coalitions of policy actors. These coalitions, stable over time and sharing common belief systems, consist of elected officials, governmental agency staff, interest group leaders, media representatives, and researchers (McLendon, 2003).

From 1985 to 2000, flourishing economy, social liberalization and democratization facilitated universities to seek their autonomy in 1990. That period of time exact situated at the overlapping zone between incremental model and advocacy coalition framework. University Law was revised again, but the revision no more relied on the central government rationale alone. The appeal from stakeholders of higher education was included; university autonomy was shaped substantial by the articles emphasizing academic freedom and administration by academics. At the same time, policy tools weren't restricted to formal regulations and had flexible format. "Development Plan for World Class Universities and Research Center in Excellence" was initiated, which facilitate international collaboration and domestic integration. In this intuitive, we found the policy process broadens its flexibility and participation, for faculties could have more actions and involvements in programs than bills. Moreover, those programs also allowed universities develop their own strategies rather than to abide by national plan strictly.

3.   Stage of Multiple Streams Framework

In 1990, Kingdon (1994) propelled a dynamic set of policy process in his "multiple streams framework". Unlike conventional concepts for policy process, he regarded policy formation as a dynamic movement; policy makers should couple streams of politics, problems and policies. Then they have chance to propose their "pet solution" to the authorities. After that, before reaching the formal agenda, policy

makers also ought to wait for the policy window, opportunity to show the solution or problem. To Taiwan, there've been more interaction and diversification happening in higher education policies since 2000.

First of all, the major policy planner for higher education, Higher Education Committee, initiated including faculties from universities. For higher education institutions, they have had freedom to conduct intra-institutional and inter-institutional integration since 2004. In 2005, Ministry of Education proposed "Aims for the Top University Plan" and "Program for Promoting Teaching Excellence Universities". Those projects provided competitive fund for recruiting excellent research or teaching development proposals from universities. The value from those programs represents a more dynamic and interactive policy process for higher education agenda.

Clearly, policy process will reflex university autonomy, no matter substantial or procedural one, completely; and through analyzing policy process, we can figure out how university autonomy interacts with input, forming elements, and output in a concrete higher education policy. Thus, based on the analysis aforementioned, this study utilized "multiple streams framework" as the research tool of analysis. The complete theory will be introduced in the section of research method.

Stagnation of Autonomy in Universities of Taiwan

Comparing to member universities of OECD, public universities in Taiwan have relatively low level and the lack of independence that professional academic institutions deserve. Despite that the constitutional interpretation by the Grand Justices in the past years agrees with university autonomy, universities are still under strict supervision of governments (MOE, 2014).

In Taiwan, all national universities and colleges are defined as administrative agencies. The government monitored major decisions from universities by requiring acknowledgement to investigative review. These decisions range from organizational adjustment, personnel recruitment, and students' affairs. Furthermore, finance and personnel affairs are regulated with the same stipulations adopted by administrative agencies like the National Property Administration of the Ministry of Finance and Central Personnel Administration of the Executive Yuan (Liu, 2008;NCKU, 2011).

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Bureaucratic control leaves government supervision disconnected from reality. On the other hand, bureaucracy alone is not enough to formulate policies on higher education. The government has been relying on ad hoc task forces to conduct reviews, but the members of the task forces are not involved in long-term, dedicated development of the subject universities, and these members are not obligated to assume legal responsibility. As a result, public opinions frequently scrutinize the credibility of the decisions made by the government (Liu, 2008).

Performance-based Salary Project in Taiwan
From 1997 to 2009, a series of polices on recruiting international talents initiated intensively. Most countries in Asia required high-skilled talents to facilitate their national transformation after financial crises in 1997. After that, Mainland China proposed a "Thousand Talent Plan" to recruit 1000 international talents globally; this plan focus professions from high tech, science, academia, business management, and finance (MOE, 2011). In East Asia, South Korean established "Contact Korea" project to recruit global professions via improving their immigration policies; for example, "The World Class University" aimed at appealing top experts to conduct research in South Korea by high pay and building up specific departments in charge of that. And "Brain Korea 21" also provides privileged offer to excellent graduate students, post doctor and professors.

In the June of 2006, the hottest headline in Taiwan was top professors in economy being headhunted by Beijing Universities. Then, in 2009, companies in Mainland China recruited 200 professions on panels from one of the top tech company in Taiwan (China Times, 2006;Taipei Times, 2009). And in 2011, the vice prime minister in Singapore, Tharman Shanmugaratnam, commented the brain drain in Taiwan is a serious example Singapore should keep in mind during an open speech.

Universities in Taiwan have been designed as a public administrative institution abiding by most regulations for bureaucratic agencies. Thus faculties' salary, accounting system, personnel policy and decision-making model are identical to other governmental agencies. To Taiwan, a country heavily relies on human capital and has limited natural resources, encountered emerging crises. "Declaration on talents", a public announcement signed by director of Academia Sinica and 11 important representatives from Taiwan's society pointed out the talent crisis. In past decade,

there're 490 thousand immigrants in Taiwan; 80 percent of this group come from blue-collar workers while high-skilled professions occupies only 4 percent. On the other hand, 20 to 30 thousand professions in Taiwan shift their working career abroad every year; most of them come from white-collars. In term of human capital, Taiwan becomes a net export country in this condition (Academia Sinica, 2011).

All studies have limitations. First, this studies focus on policy process led by limited autonomy, and we won't explore other facets about university governance and management, which may have indirect evidence about limited autonomy but this extension will lead to over-complexity in this study. Second, although the concept, "limited autonomy", can be applied in broad polices and theories, we provide empirical results for just a case study in higher education policy. Third, we won't have comparison between "limited autonomy" and "complete autonomy", which was chosen by higher education policy makers in Japan and South Korea.

The higher education in Taiwan equipped several characteristics suitable to discuss university autonomy in East Asia. Taiwan initiated its delegation policy for public universities quite earlier than other counties in East Asia. Hong Kong and Taiwan, have realize their delegation policies for 10 years while the later participants, such as Japan and South Korea. Thus, as to policy implement, we expect to observe more complete phenomena in Taiwan since this country sustains delegation for 10 years. Moreover, transformation in university autonomy is not a unique trend prevailing in Asia. Since 2000, universities in France, Norway, Finland, and Germany seek institutional autonomy as well; a spectrum between limited autonomy and complete autonomy emerges in Europe, which used to inherit centralized management system like most Asian countries does. Thus, the case study in Taiwan will not only provides a vivid framework for its neighboring nations in Asia but reformers with closer perspectives in Europe.

Methods

The Justification of Case Study

This inquiry is defined as case study for its research design, multi-methods for data collection, and its focus on specific lieu (Denzin & Lincoln, 2000;Yin, 2003).

There're two justifications to choose case study as research methodology. First of all, in order to explore emerging phenomenon, the case we chose is

information-rich and uniqueness. The case lasted from 2010 to 2012. The lengthy duration of these cases allows author to collect rich and diverse data. Also, for the researcher happens to work in the teams of MOE from 2004 to 2011. The abundant first-hand literature and long-term observation provide the study with information-rich advantage to depict refined findings. About the value of uniqueness, the two models of autonomy, complete autonomy and limited autonomy, represents the unique phenomenon in Eastern Asia.

Secondly, case study methodology has the capacity of both theory testing and theory building (Yin, 2009). This study contains substance depicting diverse policy process within and outside government. Thus, this research will test multiple stream theory and build contextualized propositions for higher education policy in Taiwan.

From 2010 to 2012, we undertook a multi-method research effort that involves a survey of 165 universities in Taiwan and 5 in-depth interviews from vice presidents in public research universities in Taiwan.

In order to ensure the representation of our data, first we conducted a survey on 165 universities in Taiwan to get the information about policy implement from September 2010 to September 2011. The analysis of survey provides a clear picture via following figures-characteristics of salary receivers, budget implementation efficiency, and major rules of Performance-based salary project in those universities.

After that, we adopt 5 in-depth interviews from vice presidents in public research universities in Taiwan. In Taiwan, universities receiving "Aims for the Top University Plan" will be identified as "top research universities" in this setting. This semi-structure interview aims at obtaining qualitative information. Snowball sampling will facilitate us to choose interviewees with better motivation and rich information. And via those interviews, we have better capability to explain figures from the survey mentioned.

About the interview protocols, after reviewing weighty delegations in this project from Ministry of Education, we selected delegated authorities as sensors to evaluate the impact of limited autonomy. Those delegated authorities are listed below. And our interviewees will be invited to express their experience when exercising those

authorities through university decision-making mechanism.

(1) Autonomy of financial management

Universities can exercise financial autonomy completely to plan and execute their self-provided income via creating their own system and don't have to follow strict governmental accounting rules and financial system.

(2) Recruiting international talents

Governments delegate universities to recruit foreigners to take administrative or academic posts. By that, universities can have better human resources to develop their international competitiveness.

Research Tool

Inherited from garbage can model, Kingdon (1994) offers a dynamic set of policy process in his "multiple streams theory". Unlike previous concepts for policy process, he contends policy formation as a dynamic movement. This framework premises government is an organized anarchy with fluid participation, problematic preference and unclear technology. Thus, during the policy formation, managing time effectively is more vital than managing tasks (Zahariadis, 2011). In this condition, parallel processing of policy issues constitute the spirit of this framework. The theory argues that problem, politics and solution process constitute the major framework of policy formation and those processes operate in a parallel manner rather than serial pattern. Successful policy entrepreneurs master coupling streams of politic, problems and solutions to promote their innovative ideas. The traits of each process are elaborated as below.

1. Problem Stream

Important issues from governments and citizens will be interpreted purposely to compete the public's attention in this stream. Once the specific issue is recognized with more importance than the rest ones, this problem will gain the priority to form an official agenda. Thus, in policy arena, policy entrepreneurs utilize indictors, focusing events, and feedbacks to preference the issues they care.

2. Policy Stream

Various solutions from policy proposers compete to win acceptance in the policy network (Zahariadis, 2011). Value acceptability and technical feasibility constitute two critical indexes to evaluate each policy solution's competitiveness. As Kingdon

contends that solutions not necessarily appear after the emerging of problems. Since policy processing represents a parallel pattern in this framework, policy solutions may be formed before or no later than the problem rises. Thus, policy entrepreneurs can sell their pet solution to solve all relevant problems.

3.   Politics Stream

Policy presenters fighting for their agendas should take following elements into considerations in politics stream: the national mood, pressure-group campaigns, and administrative or legislative turnover. Once the policy agenda corresponds to the national mood or critical pressure-group pursuit, this agenda has more chance to be recognized. Policy entrepreneurs will not only try to gain the support from the public or pressure group, but to magnify the effect of administrative or legislative turnover.

4.   Window of Opportunity

Policy entrepreneurs are sensitive to "windows of opportunity" to promote policy change and thus they can utilize this opportunity in time.

Discussion

In this study, the first research question explores the policy process of performance-based salary project, a case study of limited autonomy. Our research findings are as follows.

Policy process of limited autonomy

1.   Problem stream

Losing international talents was identified from Ministry of Education in Taiwan. Though the broad scope of problem includes following relative issues. First, seniority-based salary mechanism has conflicted with international competition of higher education; however, this issue isn't integrated into problem stream. To government in Taiwan, changing conventional pay system requires sufficient financial support and long-term societal perception. Moreover, it can be understood the faculties' evaluation mechanism for a completely merit-pay system can't reach its maturity and feasibility right away, and mentioning this issue will bring the problem stream with more complexity.

Rising general pay standard of all faculties was excluded by Ministry of Education as well. That's the other issue proposed by faculties' unions during policy process of this

performance-based salary project. Faculties' associations and media criticized that faculties' standard pay is low in comparison to that in Singapore, Hong Kong and South Korea. Obviously, this issue was cut from problem stream as well for potential solution will involve a new salary structure and new pension system. As previous discussion, totally changing a system will lead to large-scale impact to the public and high cost of policy and that doesn't exist in the preference of "limited autonomy". The problem stream shaped by policies led by "limited autonomy" fits what Kindon's theoretical propositions in following aspects (a) they challenge certain societal values or ideals, (b) they represent poor performance in comparison to other countries or governmental units (Kindon, 1995). However, more than what revised garbage model assume, policy makers for "limited autonomy" policy slimed down the relative issues to their feasible scope due to the financial constraints and cost to adjust societal value. As we defined previously, to countries choosing "limited autonomy" aim at reforming with limited policy cost and controlling potential resistance.

2. Policy stream

In the policy stream, networks of actors working within "policy communities" generate a short list of ideas from which policy makers can choose to address particular problems (Kingdon, 1995). As to the policy stream, Ministry of Education and Ministry of Science are the main policy communities to form the solution. Instead of increasing the flexibility of previous project, Ministry of Education increased the flexibility of "Development Plan for World Class Universities and Research Center in Excellence" and "Plan to Encourage Teaching Excellence in Universities". Those existing projects provided competitive fund for recruiting excellent research or teaching development proposals from universities. Moreover, they also broadened the flexibility of expense, that amounting to 50 percent of all public universities' annual budget. Ministry of Science provided extra subsidies for universities and this budget was allocated based on research accountability from each universities. During the process, the representatives from university presidents also play an important role in policy communities.

In our observation, the policy stream of limited autonomy caters Kindon's certain perspectives-technical feasibility, value acceptance, the anticipation of future constraints and recombination of current measurements. However, there're some unique features from polices led by "limited autonomy". First, it allows governmental institutions involved keep their respective measurements rather than

integrating with each other completely. Thus, though the policies come from Ministry of Education and National Science Foundation, but they are allowed to follow different administrative procedure and standards respectively. Second, the legal basis for this performance-based pay project was built through flexible regulations. For controlling the policy cost and implementing the project timely, the legitimacy is established through administrative regulations rather than formal acts.

Politics Stream

Kingdon (1995) asserted that agenda setting may be impacted by activity in the "politics stream," which may include changes in administration as the result of elections or reappointments, politicians' perceptions of public opinion, or shifts in power that might result from reorganization within government. In politics stream, this proposal should go through various expectations from different posts in administrative institutions. In other words, this solution should meet diverse departments' demand and should care of their individual concern.

This project didn't encounter barriers in governmental system for the policy design went top-down route. Moreover, the issue is recognized by diverse political parties Thus, that project is like a bandwagon coming at right timing; it went through politics stream very smoothly.

Opportunity Window

Talents competition policies in the neighboring countries posed as a severe challenge to government before Performance-based Salary Project was designed and implemented. Interestingly, that crisis transformed into an opportunity window for this policy. In 2004, government in Taiwan initiated a partial merit-based pay measurement; however, owing to lack of effective opportunity window, there were rare universities implementing that policy. In 2006, this pay system was shaken by losing global talents and neighboring countries' talent recruitment action reported intensively by media. Thus, policy makers in Taiwan can have room for Performance-based salary policy. In this study, the first research question explores the policy process of performance-based salary project, a case study of limited autonomy. Our research finding are as following.

Policy process at university level

After a survey on 165 universities, we get a picture of policy implementation about

performance-based salary project. Out of 165 universities, 102 universities established their mechanism for performance-based salary while 63 universities chose to maintain current status quo. And about the effect of annual budget from government, 167universities only execute 47% of annual budget. Among them, research universities only spent 350 million NTD on this project, which occupies 35% in the overall budget for research universities. Teaching-oriented universities implemented 90 million NTD, which only reaches almost a quarter of the totally budget for those universities. And in terms of university mechanism, those findings indicate the extent and aspects influenced by limited autonomy; it also revealed certain contextual elements which can't be altered easily.

1. Problem Stream at university level

Though recruiting or retaining international talents was declared as major problem steam by government in Taiwan, the problem diminished when it went through each university. According to our survey, there're 7,435 receivers of performance-based salary project, but only 1% of them come from international faculties. Most of receivers were senior and domestic faculties who had served in universities in Taiwan. In order words, though the problem stream targeted at global talent while encountering some tough issues, such as rising average salary standard for faculties and altering seniority-based structure of pay, are set aside. However, when policy goes into the micro stream into each university, those omitted issues become the focus rather than losing global talent in the problem stream in universities.

2. Policy Stream at university level

To national universities in Taiwan, university council, which consists of representatives from each party within this organization, operates as a major decision-making platform. Differing from board or trustees mechanism in Western universities, important decisions should reach consensus in this large- scale universities council. Based on the feedback of our interview, faculties in Taiwan believe that university council reflects democracy in campus.

When we have important acts, we should propose to the university councils. And I value the democracy we have, though democracy has its restriction in efficiency, but we value democracy more.(vice president A)

When Performance-based project goes through its policy stream in universities, the spirit of equity from university council is strong embedded in their rules for receivers. First, we found 61% receivers' annual extra pay is lower than 200 thousand NTD, and faculties whose extra pay is over 1 million only occupied 1.2%. Policies stream in universities still emphasize on equity rather than accountability.

3. Politics Stream at university level

In our interview, university council and voting system become major decision making way to pass pay rules and even receivers. President should get most parties in this council to agree and that signals the value of harmonious relationship. Most presidents provide exact condition in their university. If the approach of performance-based policy conflicts with the norm of Asian culture, especially the value of harmonious relationship, hierarchy and collectivism, university will avoid exercising that or create alternative way to replace it.

> *If we need to recruit some international or professional person with different treatment, the boundary from department will beat the possibility of excellence. They need to pass the votes (100%) from each level. Even though I surpassed this procedure, I can't escape from the university council.(President B)*

> *No matter what kind of measures, we need to communicate with faculties and students patiently and widely, especially for senior faculties.(President C)*

Moreover, hierarchy out-weights the accountability in this case. We found most universities have identical rules of payment even through government empower them have autonomy to set up their own rather than following the same format. However, most universities choose the most conservative way by coping leading university's rule for they still need to face a hierarchical policy environment outside their organization.

> *First, the financial authorities are restricted by several public agencies' perception or regulations. Most of them work in top-down fashion. Thus, not only the amount of money is limited but their interventions will diminish the flexibility of this fund. (President B)*

Externally, this autonomy keeps scrutinizing by several kinds of political representatives or is intervened by governmental agencies. For example, we organized an investment group to manage some self-provided fund. However, that becomes the issue challenged by legislators even we just execute our legal autonomy by professional judgment. (President C)

If the performance-based project diminishes individual constituent's benefit, especially faculties, university presidents will hardly choose to take leadership based on this authority. For example, when this project implemented in universities, some faculties failing to receive this extra pay show their disappointment by boycotting other important agenda within campus.

For example, we build up a unit to manage self-funded capital, but university council intervene the quota even that control doesn't come from professional judge but only worrying the total pension will be influenced.
Meanwhile, the committee responsible for the management and audit, which are composed by faculties elected, exercise their authorities to boycott polices harming their colleges' benefit. (President B)

Conclusion: How about constituent-led policy?

In centralized higher education system, such as countries in Asia, top-down policy formation has been conventional culture. From agenda setting, problem identifying, solution prioritizing and measurement legalizing, governments in this region mentioned usually play major roles in these processes while universities only join certain minor stage of policy process, for example public hearing and pilot survey.

However, with the prevailing of global competition and rapid transformation of higher education nowadays, some uncommon examples emerge. In Asia, public universities started to take active role in policy forming. In South Korea, National Seoul University became one of the leaders in a national policy of university corporatization in Taiwan. This non-conventional trend reveals new policy forming approach in a changing higher education arena. Higher education institutions start to take leadership in national policy used to led by government, and those leading universities are major constituents in those polices they get involved.

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"Constituent-led policy" process is the key concept in this study; unlike conventional policy formation in top-down manner, constituent-led policy process is initialed and led by major constituent in every public policy process, including problem identifying, solution prioritizing, policy choice making and agenda setting. When planning a national policy in higher education, policy makers still regard teaming up with universities as an immature experiment though more and more concrete examples represent this coming trend. While relevant research or literature in higher education fields remain limited, those policy makers have been learning by doing.

However, when globalization and privatization have infused diverse resources and pressure in higher education arena, universities are forced to go through dramatic and rapid transformation promptly. Thus, for governments, the task to plan an effective policy in higher education is getting challenging if they still stick to government-led policy. In brief, universities' active participation in policy forming becomes essential. Those emerging cases we observe in Japan, Korea and Taiwan just broadcasting the coming change. Thus, for policy makers in Asia and Europe, they need to obtain practical analysis about this new approach. Not only requiring general principles, certain meaningful propositions at each stage will facilitate higher education practitioners to arrange this approach well.

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