Challenges of Higher Education Systems in South-Eastern Europe

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Core Task of Higher Education 1: Graduates

**Gross enrollment rate (%), tertiary, total, 2005**
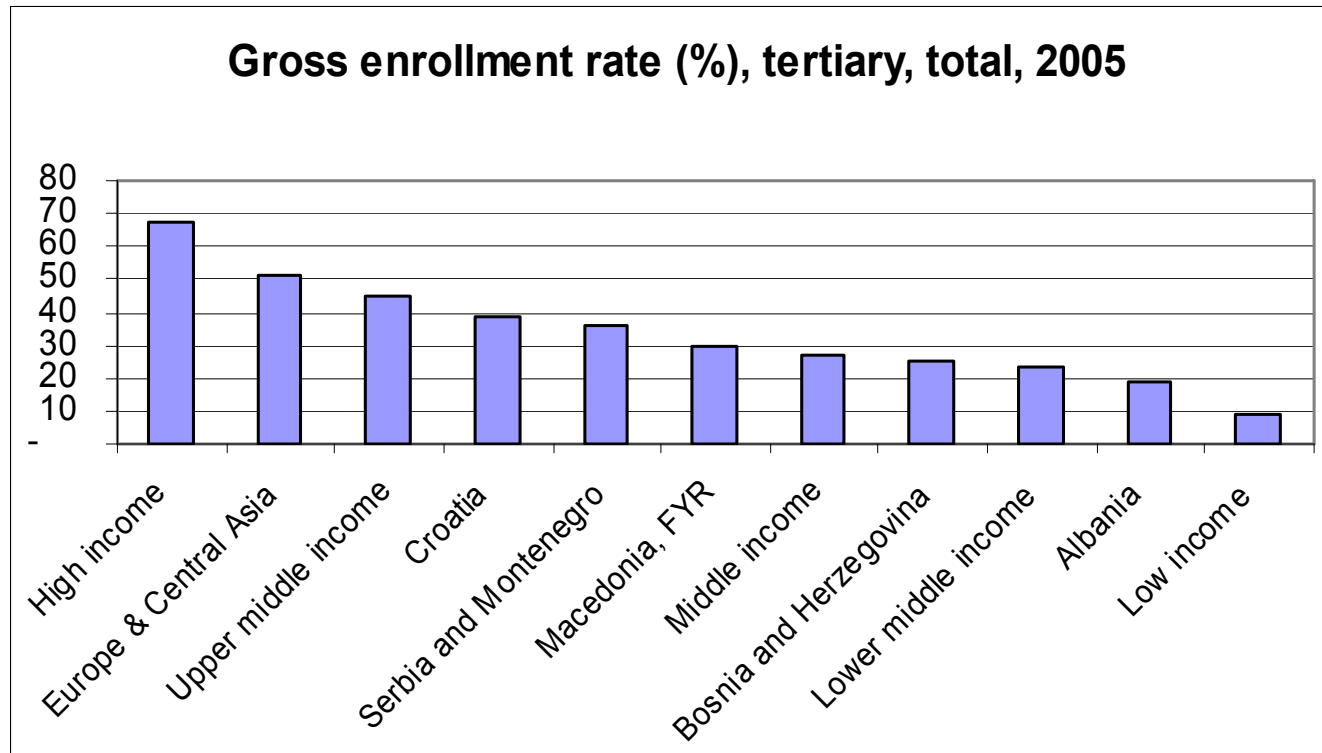
**Low enrollment rates as compared to other countries –
thought enrollment has been increasing recently,
especially in Montenegro and Macedonia**

Comments: Albania and Croatia-2003, Serbia and Montenegro-2001, data for Bosnia and Herzegovina from TransMONEE database.
Source: World Bank, SIMA database. TransMONEE

Core Task of Higher Education 1: Graduates
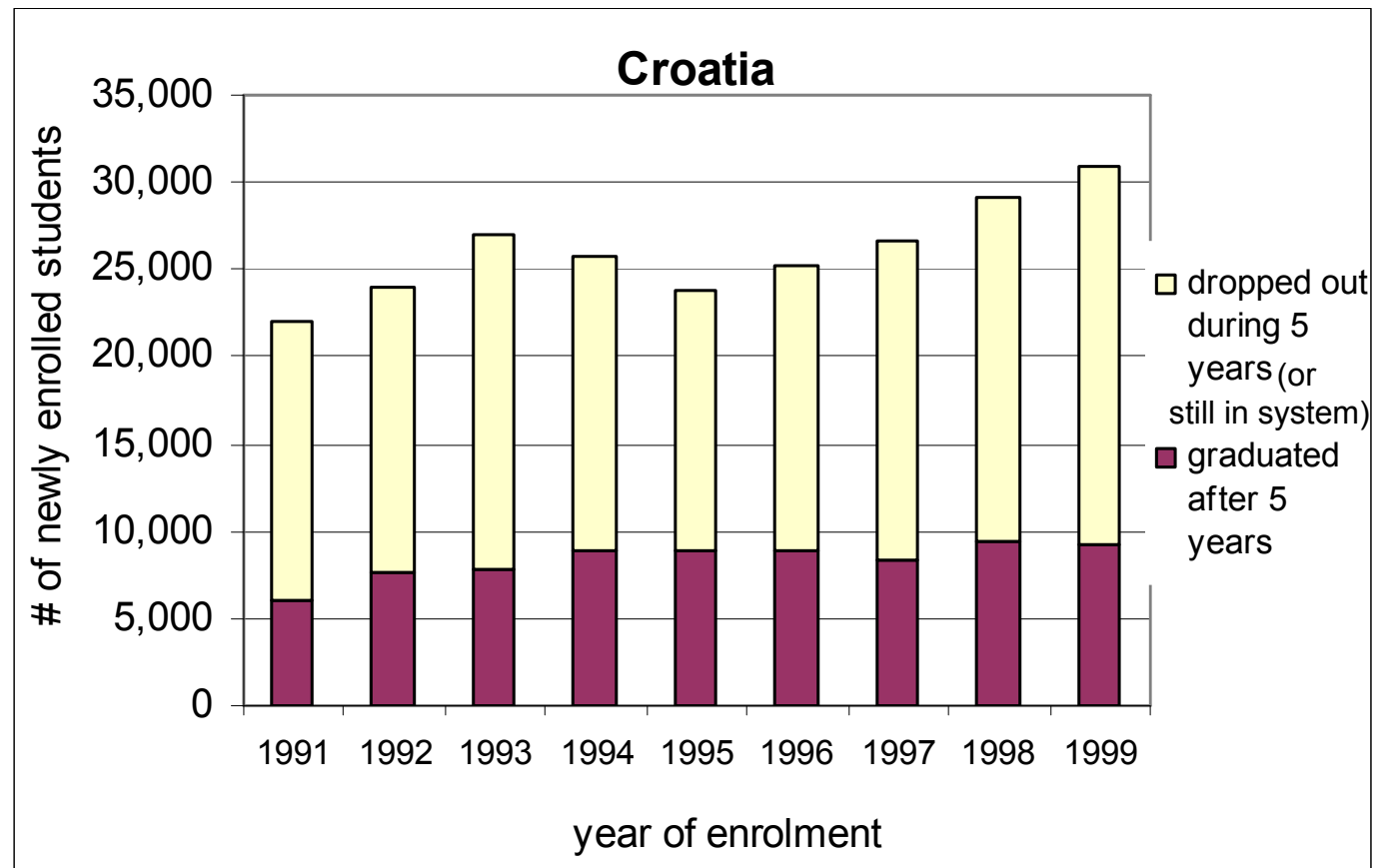
Croatia

But even less graduates because of very high drop-out rates

Source: Calculations based on OECD, 2007

Core Task of Higher Education 2: Knowledge Creation and Absorption

Patents applied for to the European Patent Office, per 100,000 inhabitants, annual average 1997-2003

Croatia	0.42	Austria	12.92
Bulgaria	0.12	Slovenia	1.98
Serbia and Montenegro	0.06	Hungary	0.84
Romania	0.03	Greece	0.51
Bosnia and Herzegovina	0.02	Turkey	0.05
FYR of Macedonia	0.01	EU 15	11.96
Albania	0.01	EU 25	10.39

Source: European Patent Office, 2003
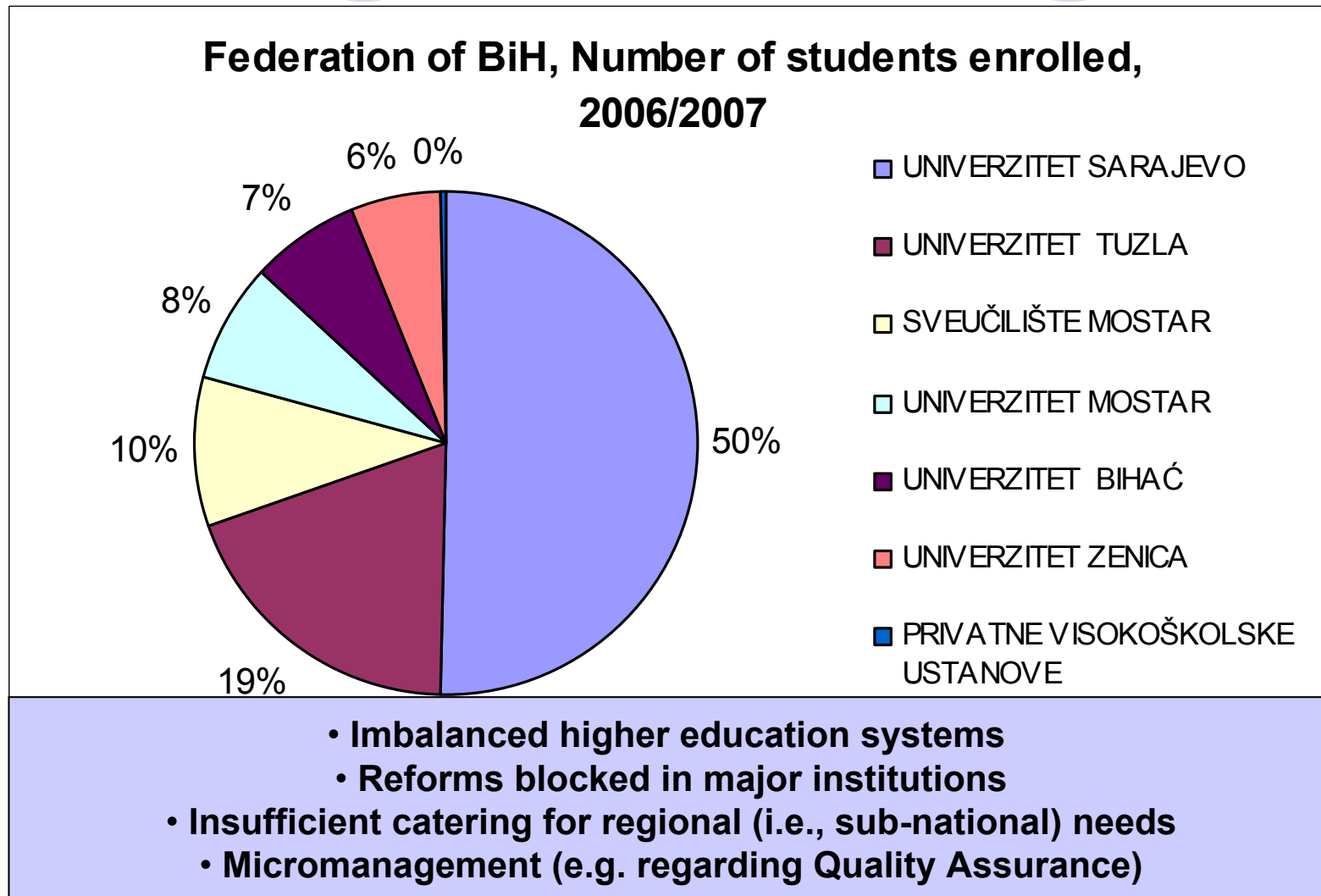
Challenge 1: Efficiency of Institutions

▍ Major universities in SEE countries continue to be <u>loose federations of faculties</u> without a coherent strategy and a central leadership with sufficient scope

▍ It weakens the institutions in terms of their <u>competitiveness, efficiency and institutional standing</u>

▍ Main responsibility for <u>quality</u> lies with universities but institutions are not able to take up this challenge

▍ Little representation of external <u>stakeholders</u> (incl. employers) in university governance

Challenge 2: Funding

- <u>Overall</u> funding situation not sufficient
- HE institutions receive income from <u>tuition fees</u> but diversification of income should go <u>beyond</u>
- <u>Line budgets</u> – only cover <u>salaries</u>
- <u>Input-based</u> funding models create incentives to keep students in the system (leading to low graduation rates and mobility)
- Little application of modern management methods as performance-based contract management, lump-sum funding, multi-annual budgets, etc.
- Situation <u>worsened by autonomous faculties</u>: No money for implementation of a common university strategy or ability to capture economies of scale or avoid duplication of effort
- Professors profit from autonomous faculties through <u>multiple employments</u>

Challenge 3: Difficult Reform Environment

Federation of BiH, Number of students enrolled, 2006/2007

Legend:
- UNIVERZITET SARAJEVO
- UNIVERZITET TUZLA
- SVEUČILIŠTE MOSTAR
- UNIVERZITET MOSTAR
- UNIVERZITET BIHAĆ
- UNIVERZITET ZENICA
- PRIVATNE VISOKOŠKOLSKE USTANOVE

Pie chart percentages: 50%, 19%, 10%, 8%, 7%, 6%, 0%

- **Imbalanced higher education systems**
- **Reforms blocked in major institutions**
- **Insufficient catering for regional (i.e., sub-national) needs**
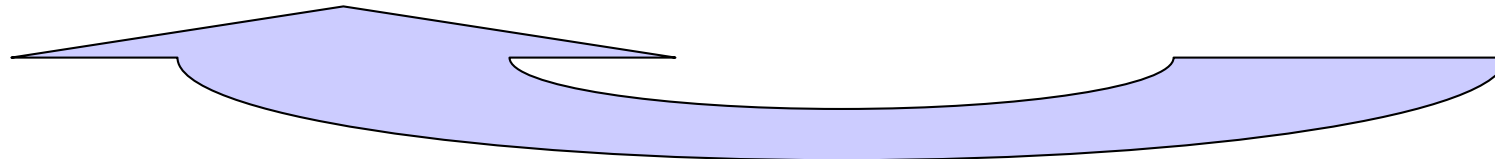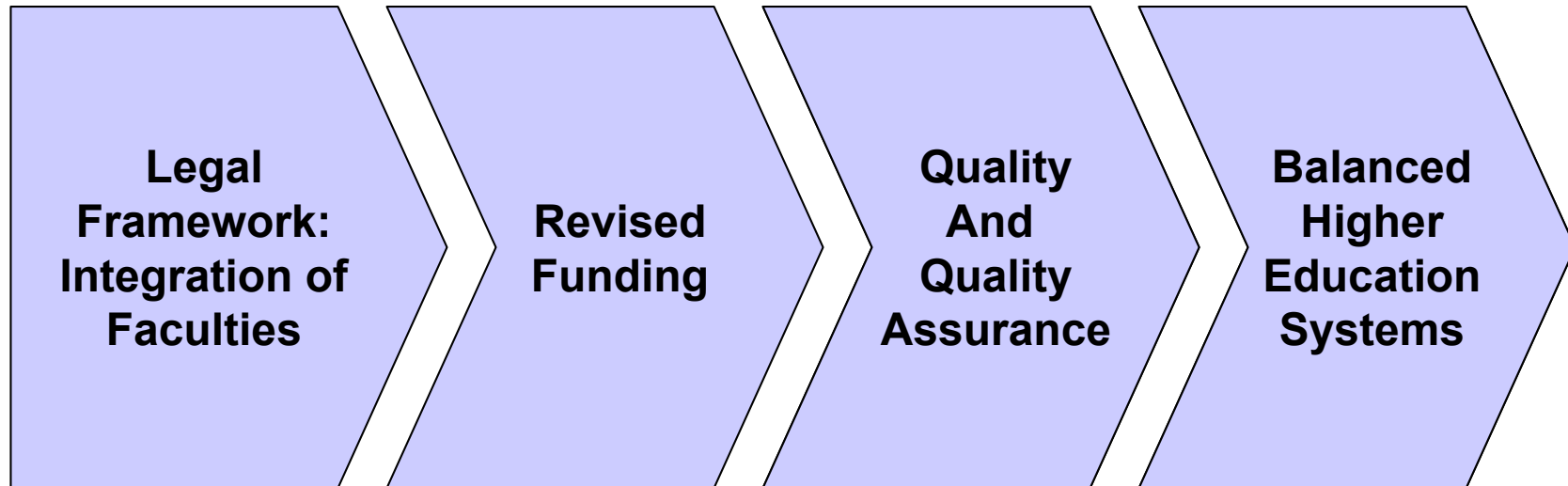- **Micromanagement (e.g. regarding Quality Assurance)**

Sources: Statistical Office of Federation of BiH, monthly statistical review of the BiH

Bologna as an Opportunity and Commitment
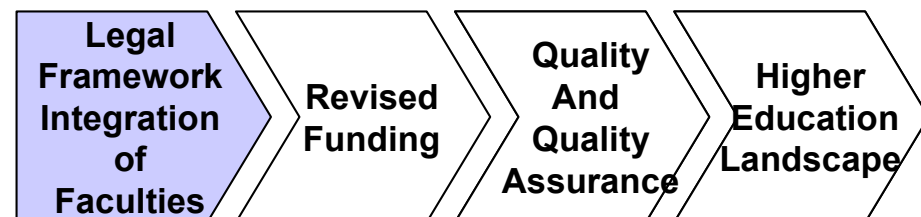
▌ Education Ministers from <u>all SEE countries</u> have committed their countries to implement the Bologna reforms

▌ Implementation has focused on Bologna <u>'toolset'</u> (i.e., formal degree structure) rather than cultural change (student-centered approach, continuous assessment, focus on internal quality assurance, etc.)

▌ Key goal of enhanced European <u>mobility not reached</u>

Meeting the Challenges

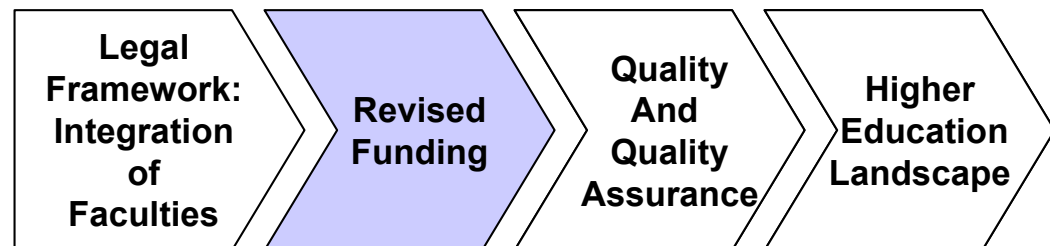| Legal Framework: Integration of Faculties | Revised Funding | Quality And Quality Assurance | Balanced Higher Education Systems |

Step 1: Addressing the Institutional Challenge

| Need for <u>unambiguous</u> legal framework and funding mechanisms supporting <u>full</u> integration

| Common and agreed <u>mission</u> as the basis for strategic development/investment and competitiveness

| Strengthening of <u>central level to ensure vital functions</u> (Quality Assurance, competitive and strategic funding, etc.) and in order to avoid duplication of functions

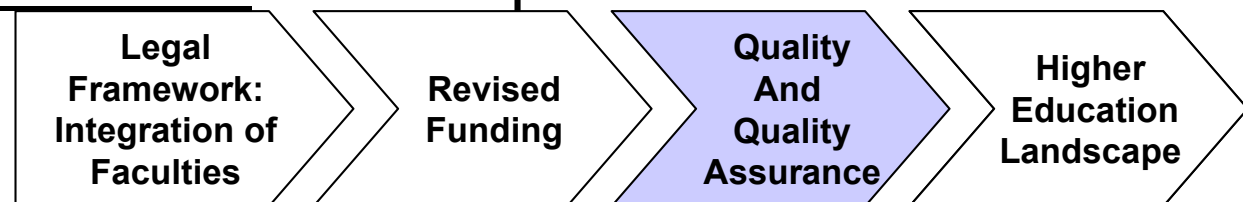| Ensure <u>public/business voice</u> in governance arrangements to increase transparency and relevance

Comment: See Kwiek, 2007

| Legal Framework Integration of Faculties | Revised Funding | Quality And Quality Assurance | Higher Education Landscape |

Step 2: Addressing the Funding Challenge

▎ Getting the right <u>incentives</u>: move increasingly towards output-basis for public funding (graduates, research)

▎ Multi-annual budgets: <u>flexibility and security</u>

▎ <u>Performance</u> based contracts: for external funding (MoF/MoE – HE institutions) and/or internal (institutions: central level – faculties)

▎ Sound <u>costing and pricing</u> of activities

▎ Cannot be addressed without addressing integration

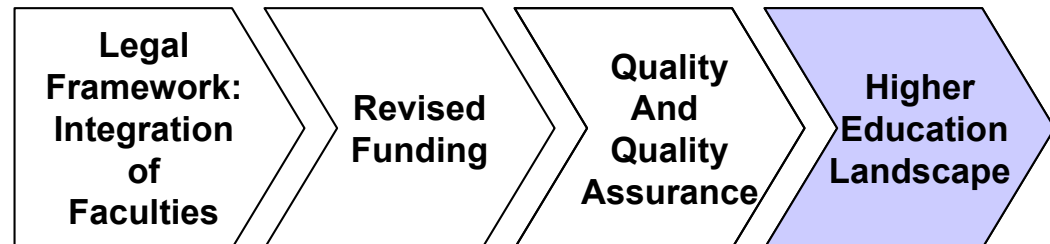| Legal Framework: Integration of Faculties | Revised Funding | Quality And Quality Assurance | Higher Education Landscape |

Step 3: Addressing the Quality Challenge

▌ Incentives for quality of <u>outcomes through shifting allocation process for public resources</u>

▌ Quality Assurance in accordance with European practice: <u>Fitness for purpose</u>

▌ Main responsibility for quality with universities – are they prepared for this challenge?

▌ External Quality Assurance should (a) be <u>efficient</u> (b) focus increasingly on the institutional vs. program level and (b) assess the quality of internal Quality Assurance procedures

▌ Quality <u>enhancement</u> vs. compliance

| Legal Framework: Integration of Faculties | Revised Funding | Quality And Quality Assurance | Higher Education Landscape |

Step 4: Addressing the System Challenge

I Towards a <u>balanced</u> HE sector with diversified institutional missions serving diverse needs

I Encouragement of <u>private</u> institutions tackling unmet needs and client groups

I Encourage <u>cooperation</u> and fair competition between HE institutions

I Carefully consider advantages and disadvantages of large comprehensive public institutions – also in the context of integration

I Targeted capacity building of ministries to develop new roles

| Legal Framework: Integration of Faculties | Revised Funding | Quality And Quality Assurance | Higher Education Landscape |

Making it Happen: Concerted Action Needed at Four Levels

•Bologna
•European Research Area
•European Qualifications Frameworks
•EU accession

European Level

Regional Level

National Level

•Legal Frame
•Pubic funding
•National initiatives
•External Quality Assurance (?)

Institutional Level

Already:
•Cooperation of individual HE institutions
•Regional Initiatives
•Cooperation on European level

•Specific Mission
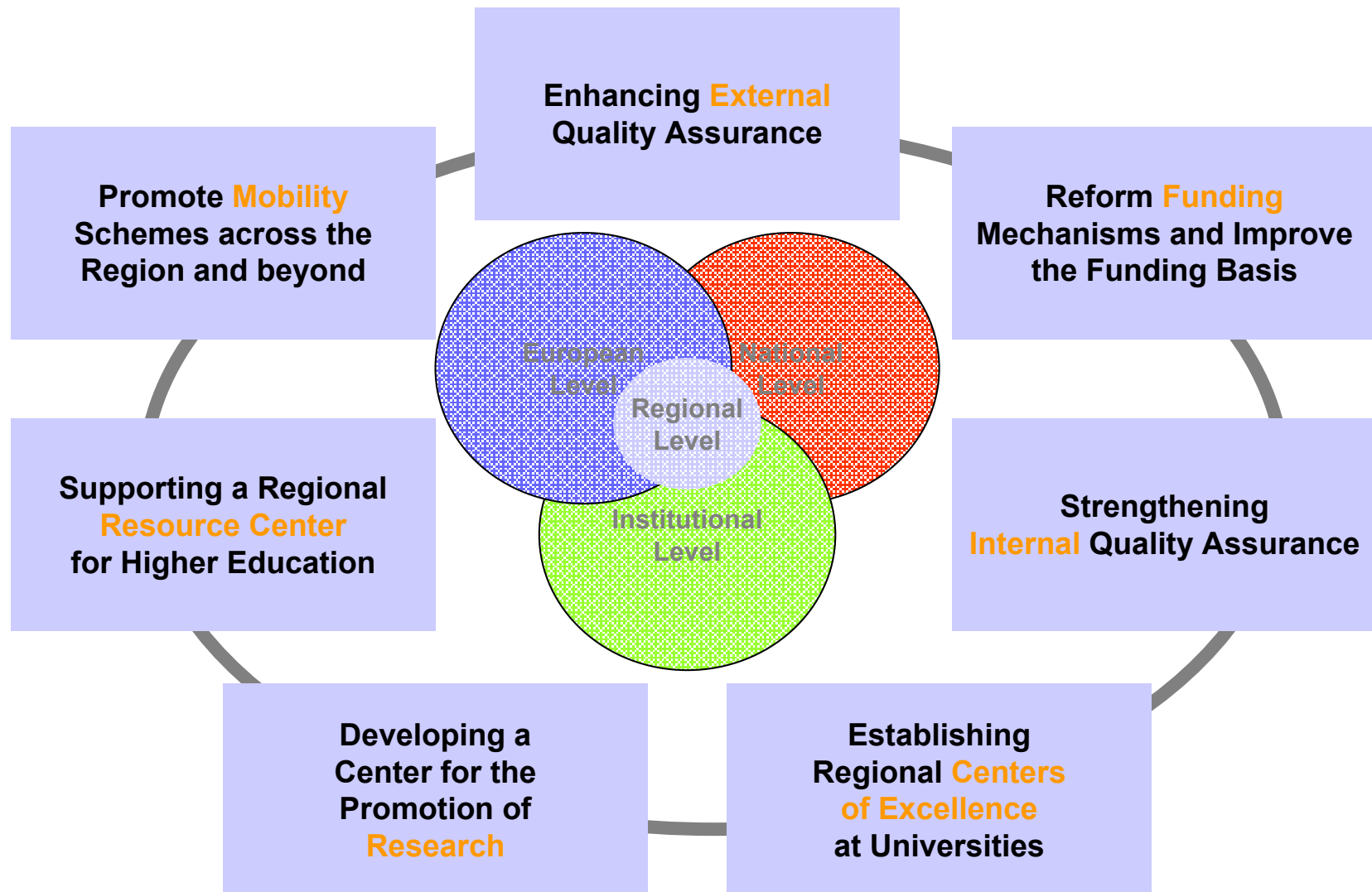•Quality Assurance
•Bologna implementation

Why Regional Cooperation?

▌ SEE countries face the same <u>challenges</u> and have similar <u>opportunities</u> for the future

▌ Regional cooperation allows for <u>economies of scale and therefore better quality</u>

▌ Some <u>issues cannot be solved</u> on the <u>national</u> level (especially in small countries, e.g. Quality Assurance)

▌ <u>Common</u> higher education <u>tradition</u>, same or similar languages can facilitate cooperation

▌ Targeted support to enable countries to access <u>existing</u> European cooperation mechanisms

Possible Elements of a Project on Regional Cooperation in HE

Enhancing External Quality Assurance

Promote Mobility Schemes across the Region and beyond

Reform Funding Mechanisms and Improve the Funding Basis

Supporting a Regional Resource Center for Higher Education

Strengthening Internal Quality Assurance

European Level

National Level

Regional Level

Institutional Level

Developing a Center for the Promotion of Research

Establishing Regional Centers of Excellence at Universities

Prerequisites of a Regional Higher Education Project

▮ Further analytical work

▮ Need to engage governments, institutions and potential partners and determine demand

▮ Regional discussion - towards Memorandum of Understanding

▮ Key issues:

  ¡ How will governments work together

  ¡ Under what conditions will universities be eligible for funding

Thank you for your attention!

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