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**CHANGING GOVERNANCE STRUCTURES AND
IMPLEMENTING NEW LEGISLATION IN EDUCATION IN KOSOVO:
IMPROVING ACCESS, INCREASING OPPORTUNITIES,
AND OPENING TO THE LABOR MARKET**

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Contents:

Summary of policy recommendations

Part I

Educational reforms in the transition countries – an overview

Part II

The current legal educational framework in Kosovo. A comparative regional perspective

Part III

Higher education and the labor market in Kosovo: major issues of interest

Part IV

Changing governance structures in education and current relationships between major stakeholders

Part V

Policy recommendations and steps to be taken

Part VI

Appendices

Part VII

References

SUMMARY OF POLICY RECOMMENDATIONS:

(1) GENERAL POLICY RECOMMENDATIONS (MEDIUM TERM):

- to increase radically access to upper secondary and higher education (with enrolment rates 90 percent and 25-30, respectively)
- to increase radically the relevance of education to the labor market needs,
- to differentiate higher education system and its modes of delivery,
- to develop the private sector in higher education,
- to develop clear licensing procedures, accreditation schemes and quality assurance systems for both sectors, based on what has already been done,
 - to follow closely European developments in higher education and research policies (Bologna process and the European Research Area) and adapt them to local needs,
 - to avoid regulating sensitive issues by ministerial regulations, preferably leaving them for state laws (e.g. private sector, fees, Bologna structures etc),
 - to increase cost-sharing in higher education to make the expansion of public sector institutions (student fees),
 - to view comprehensive reforms in higher education as a long-term process

(2) DETAILED POLICY RECOMMENDATIONS:

- to expand the public sector in higher education through expanding the University of Prishtina (UP) and/or opening new, mostly undergraduate, vocationally-oriented public institutions,
 - to reform radically the curricula at the UP to accommodate the labor market needs and students' expectations,
 - to re-introduce part-time fee-paying studies at the UP,
 - to increase the level of fees at least 100% in the short run (to 26-30 Euro per month),
 - to develop solid laws on accreditation, academic titles and degrees, and state research funds,
 - to develop clear, per-student, outcome- and cost-related models of funding in higher education,
 - to develop models of need-based state assistance to students in both sectors of higher education,
 - to increase the autonomy of the UP in spending its revenues, possibly including those from full-time and/or part-time students' fees,
 - to reach and keep the government expenditure in education at the level of 4-4.5% of GDP,
 - to increase the share of higher education budget to 15-20% of the overall education budget,
 - to keep current teacher/student ratio in higher education (25:1) and increase the ratio for primary and secondary education to 25:1,
 - to make the governance structures in secondary and higher education more coherent,
 - to develop long-term strategic plans for secondary and higher education.

PART I

EDUCATIONAL REFORMS IN THE TRANSITION COUNTRIES – AN OVERVIEW

- 1.1. Educational reforms in the so-called post-communist “transition countries” (in Europe) have been embedded in over a decade into wider social processes. These are, in general, the move away from communism and towards open, free and democratic societies; the move away from state-commanded and towards market-driven economies; and the processes of the gradual adaptation to both global and European transformations. In different countries the above dimensions played different role; in some the political dimension was more important than the economic; in others it is the long-lasting economic crises that play crucial role. In EU-accession countries, it has been the adjustment to European standards that have been most important in recent years.
- 1.2. In most general terms, Central European countries were doing best in reforming their educational systems: in the 1990s, the structures inherited from communism were changed, new laws were passed, enrolments were increasing continuously, and universities radically changed their educational offers. Some countries (Poland, Romania, Estonia, Ukraine, Moldova) witnessed the emergence of the booming private sector so that in the beginning of the 2000s enrolments in this sector went up to 30 percent in some of them. Education in these countries became an affordable product, of relatively good quality although available mainly at an undergraduate level. The education at the graduate and Ph.D. levels was available still mostly from traditional elite public institutions (i.e. universities).
- 1.3. The major concern for the countries with the booming private sector have been the quality of education; the major concern for the countries without the private sector has been how to increase the (still low) enrolments and how to keep the academic profession within a badly funded public system. At the same time, for many countries in SEE, the major concern have been how to reconstruct higher education systems in the post-war or severe crisis conditions in which the levels of unemployment reached easily 50 percent (and in several countries much more), the GDPs were much lower than in the previous decade and problems with national minorities/majorities in education grew much more acute.
- 1.4. Thus the most important here, from a comparative perspective, are the changing institutional and legal contexts associated with the transition to open and democratic societies and market-driven economies; with rapidly increasing students’ enrolments; with the Bologna process of the integration of higher education; with global changes in higher education; and finally with the emergence of the private sector in education. While all the above contexts have been most important in Central Europe, only some of them have been critical in Eastern Europe, and still less of them have played a major part in the Western Balkans, including Kosovo.
- 1.5. In the countries of Central Europe, the transition to open and democratic societies is completed; the transition to market economies is completed but needs improvements; the Bologna process is relatively advanced (and the participation in the emergent European Research Area is equally advanced due to the access to EU research funds); enrolments in higher education rose considerably in most of them; global changes in education are beginning to be felt; and the private sector in education is at least

present. All the above processes have usually been reflected in new legislation on higher education, either already passed or currently under public discussions.

- 1.6. In most countries of the Western Balkans, by contrast, most of the above mentioned dimensions of transformations have been absent. Consequently, the institutional and legal contexts of functioning of higher education systems are different. The transition to open and democratic societies is completed although the problem of ethnic minorities/majorities is still important in many of them; the transition to market economies is far from complete and current economic conditions in most of them are very severe; students' enrolments, as a result of general economic situation and severe underfunding of public education are rising very slowly in recent years (sometimes still not even reaching the rates from the 1980s and earlier); the Bologna process, has been generally seen as a substitute for joining the EU and consequently viewed as a national priority in many countries in the region, but given the economic reality of the public sector generally, its implementation remains largely on paper, even if proper legislation has been passed. Finally, global changes in education have been largely absent, and the prevalent academic mentality is that of the passiveness characteristic of the underfunded public sector; and the presence of the private higher education is still negligible in most of the countries of the Western Balkans.
- 1.7. Educational reforms in the transition countries have to be viewed from the perspective of the changing contexts of the functioning of the public sector generally. In all countries, including the most affluent non-European OECD countries, most of EU countries, as well as developing countries on a global scale, higher education is increasingly viewed as an important and resource-consuming part of the public sector, together with e.g. healthcare services and pension schemes. The traditional "uniqueness" of higher education (uniqueness characteristic of the times of small elite higher education systems in closed national economies) is currently rarely acknowledged. On a global basis, there is a significant shift towards viewing higher education, and universities in particular, as engines for economic growth and providers of highly skilled workforce for the growing knowledge-based (and no longer merely work-based) economies. At the same time, almost all affluent countries in the West have already reached the limit of their public expenses, and the limit of acceptable taxation rates. The global trend is towards both the retrenchment of the welfare state and restructuring of state-supported services – and towards lowering the taxation level, which leaves the states with huge budget deficits. Deficits are structural; hence there is a growing pressure on reducing public expenses, including public expenses in higher education, and shifting their burden from the state's shoulders to those of the individual.
- 1.9. Consequently, higher education sector has to compete with the other two biggest claimants to the shrinking public purse: healthcare and pensions. In the transition countries, the social needs generally are much less satisfied than in advanced economies. Therefore there is parallel pressure to reform all major parts of the public sector – administration, healthcare, pensions and the three levels of education. Even though in all transition countries higher education has unquestionably been the official priority, it nowhere succeeded in this competition for larger share in public funds.
- 1.10. The lesson that can be drawn for post-Yugoslav countries from both non-European OECD countries, EU countries and the transition countries is that it is fruitless to

expect radically different levels of financing for public higher education from the public purse in the medium- and long-term, even though some short-term variations may happen. Instead of waiting for changes that will probably not come (like radical increases of university budgets from public funds, of public research funds available to unreformed public institutions, of salaries for teaching staff from public funds etc), it seems appropriate to try to follow both global and European trends, already tried out in the transition countries, especially in Central Europe. In almost all OECD countries (except for France), private expenditures for higher education rose faster than public expenditure in recent years.

- 1.11 “Knowledge-based societies” and “knowledge-driven economies” for the majority of transition countries means that we no longer live in industrial societies based on performing traditional work, or even mostly traditional services; we are moving towards postindustrial societies based on the production, dissemination, and implementation of knowledge. Traditional knowledge-production centers, universities, are accompanied by private firms and their research laboratories. It is for them that new “knowledge-workers” who are most needed in contemporary economies. More and more educated people are needed for the economy; and consequently enrolments in reformed institutions with updated curricula in all transition countries are expected to be rising. For SEE countries it means: reforming higher education and widening access to public institutions, developing the private sector in education, following European models of curricula so that teaching is relevant to the labor market in postindustrial societies.
- 1.12. Each national policy is strictly related to current (and expected) social and economic conditions. The expansion of higher education and the move away from elite system towards expanded, massified, and diversified higher education is necessary in most transition countries, though.
- 1.13. The general directions for the region can be shown. They include the following:**
 - Higher education in general must respond effectively to changing training and labor market needs, it must adapt quickly to changing surrounding through flexible and “user-friendly” modes of operation and organization (the traditional ideal of full-time, campus-based, aged 18-23 student has long been gone in many affluent countries).
 - The changes which affect higher education on a global scale and which need to be taken into account in developing visions of the future of higher education in SEE countries include:
 - knowledge as a major driver of economic development
 - new providers of higher education (“borderless education”)
 - transformation of modes of delivery and organizational patterns (impact of the information and communication revolution)
 - the rise of market forces and the emergence of a global market for advanced human capital (World Bank 2002b: xix)
 - The role of higher education today is higher than ever before; as part of the public sector, public higher education is often viewed as a problem, not as a solution to social

and economic problems. The diversification of sources of its funding is of primary importance. Exclusive state funding (accompanied by low student fees) is not enough.

- A remarkable diversification of higher education providers is necessary; if for some reason the private sector is not bound to grow, the public sector needs to be diversified serving different educational needs of different students. The growing social demand will have to be met by new educational opportunities (generally, the massified non-university, vocational sector): new providers, new modes of teaching, new operational patterns and organizational arrangements will have to be created.
- Consequently, universities in SEE countries need to be accompanied by smaller, lower-level higher education institutions; another route for universities is to develop these institutions themselves, through changing its structure, as happened in several transition countries (lower level “junior” colleges, organized by universities).
- In view of the needs of both expanding the academia and developing advanced sectors of the economy, the number of PhDs should be gradually increasing, following the pattern in both EU and other transition countries.
- Both existing and new institutions must be very responsive to the labor market needs, shifting requirements of employers, and changing aspirations of students (increasingly market-oriented) to avoid wrong educational “products”. Graduates will increasingly enter the private sector of economy, and no longer (as traditionally) mostly the public sector. Graduates without skills and qualifications necessary in market economies are reported in many transition countries (World Bank 2000b:16).
- Cost-sharing in transition countries, on average, is much higher than in EU countries. At the same time, because of other growing social needs, the trend is towards increasing the share of student payments. Governments in SEE countries are unable to finance adequately the current limited number of students (and institutions). In massified systems of the future, with much higher enrollments, it may be impossible for them to have major role in financing (some levels of higher education, e.g. graduate and postgraduate) even if they were willing to.
- Governments are responsible for the legal environment in which access to high-quality higher education should be wider. Good legal environment for the functioning of higher education includes the legislative framework for opening, merging and closing new institutions, including private institutions; coherent licensing and accreditation schemes which are non-discriminatory to any of the two sectors; and clear and fair financial rules of supporting students in both sectors.

PART II

THE CURRENT LEGAL EDUCATIONAL FRAMEWORK IN KOSOVO. A COMPARATIVE REGIONAL PERSPECTIVE

- 2.1.2. The University of Prishtina was founded in 1970, with four faculties; by 1990 the number of faculties increased to 13 and currently it consists of 17 faculties and 7 higher education schools. Teaching loads, by international standards and as in many other transition countries, are relatively low. Work outside the university for full-time university faculty requires the permission of the University Board. In terms of

administration, each sub-unit of the university is its integral part and consequently no faculty or higher school may have independent legal personality. The chief academic and administrative person at the university is its Rector, selected by the Board of the University. Current budget of the University is slightly less than 11 million Euro, current tuition fees for students is currently set at the level of 130 Euro per year. Since the academic year 2001/2002, seats for part-time students have no longer been available.

- 2.1.3. Traditionally, between 1970 and 2001, part-time students represented a considerable share (between one fourth and one third) of the student body. The current number of students is 50 percent lower than at the end of the 1970s, and still slightly lower than at the end of the 1980s (the respective numbers are: currently about 24,000, 1989 – about 25,000, and 1978 – about 37,000). Considering the expansion of higher education globally and regionally in other SEE countries, in both OECD and in transition countries, the situation in which the number of students is actually lower than 15 and 25 years ago, has to be changed radically. The policy which limits the access to higher education to full-time students does not seem to go in pair with the need to increase enrolment rates and to combine teaching and learning experience with working experience. Consequently, the principle of equity may be endangered.
- 2.1.4. The argumentation of the University that there are not enough resources and/or staff to provide part-time (evening, week-end) education is not convincing enough under the present social and economic conditions; the current number of 6,000 applicants who are not accepted to the University each year may be much higher in the coming years. The argumentation of the UNMIK university administration in 2000 is convincing only on the grounds that new lower-level public institutions are opened; otherwise the commitment to “elite” institutions may block the growth of the whole higher education sector. The reasons are both demographic and socio-economic: as in other transition countries, higher education degrees (received from reformed faculties based on updated curricula) will be highly valued on the labor market. The limited access to higher education may consequently act as a gate mechanism effectively cutting many able young people from entering the most promising parts of the labor market. The re-introduction of fee-paying part-time students, at least in selected areas, should be considered.

2.2. Higher education in Kosovo from a comparative regional perspective.

- 2.2.3. The data about participation in education for Kosovo may not be reliable but it is estimated that while in the 7-15 age cohort approximately 80% is in school, for the 16-18 age group the participation drops to 37-38% (OECD 2001: 10). Kosovo has the youngest population and the highest birth rate in Europe, with an average age of 25 and approximately half of the population under 20 years old. Consequently, future pressures on both labor market and education, especially upper secondary, will be tremendous. The expectations of the public education system in Kosovo at all levels are expected to be growing considerably in the years to come.
- 2.2.4. The participation rates for higher education in Kosovo is relatively low, compared both to the other countries of the region and to the transition countries in general. The current rate is about 10%, (12% in a recent Riinvest survey) compared with 35% of the relevant age cohort in Bulgaria, 31% in Croatia, 29% in Moldova, 28% in

Romania, 23% in Serbia, almost 22% in both the Federation of Bosnia and Herzegovina and in Macedonia, and 15% in Albania (OECD 2002: 11).

- 2.2.5. As is well known, the social costs of underinvestment in higher education are high. These costs can include (World Bank 2002b: xxiii) reduced ability of a country to compete effectively in global and regional economies; a widening of economic and social disparities; declines in the quality of life, in health status, and in life expectancy; an increase in unavoidable public expenditures on social welfare programs; and a deterioration of social cohesion. While there is no „one-fit-for-all” proportion of public resources that need to be spent on higher education, some guidance can be found in the past experiences of advanced economies. According to the World Bank estimations, for instance, an appropriate range for the overall level of investment in education as a share of GDP would be between 4 and 6 percent. Expenditures on higher education would then generally represent between 15 and 20 percent of public education expenditures (World Bank 2002b: 82).
- 2.2.5. Kosovo, with its 3.7 percent of GDP spent on education in 2002 (3.5% in 2001, and 4.0% in 2000), is slightly below the above average, and is below both regional (SEE) and transition countries average. (It is possible, though, that the above figures are not reliable since there has been a re-estimation of GDP figures recently, according to which spending in education is nearly 5% of GDP). The minimum level recommended by the recent World Bank *Medium-Term Public Expenditure Priorities* (2002) is 4-4.5 percent. In Kosovo, higher education budget consists of two slots: Kosovo General Budget (KGB), mostly financed by domestic revenues, and Public Investment Program (PIP), mostly capital expenditures financed by international donor funding. In Kosovo general budget 2001-2004, the expenditure for higher education has risen substantially from domestic revenues and has decreased substantially from international donor sources. Almost 66 percent of the education budget will be spent on primary and secondary education, and 13,5 percent (with PIP) will be spent on higher education i.e. the University of Prishtina. The share of wages and salaries in 2002 in the overall budget is 54 percent in primary education, 61 percent in secondary education, and 50 percent in higher education. For details, see appendices.
- 2.2.6. Compared with other countries in the region (as well as with the transition countries generally), both the absolute number of students in higher education, the absolute number of staff employed in higher education and the absolute number of institutions is the lowest. Consequently, also the number of students per 100,000 inhabitants is the second lowest (after Albania) too. The details about the number of students, the number of teachings staff, the number of institutions of higher education and the teacher/student ratio in higher education in both SEE countries and most transition countries are provided in appendices.
- 2.2.7. Higher education in Kosovo consists currently of one public university (University of Prishtina), accompanied by a recently licensed small private institution (American University of Kosovo). The number of students at the University of Prishtina has been 23,175 (for the academic year 2003-2004) and the number of teaching staff was about 944, which gives the teacher/student ratio 25:1. Current number of students per 100,000 inhabitants for Kosovo is about 1050. In other post-Yugoslav countries, the number is either slightly higher (Macedonia - 1350) or considerably higher (Croatia - 2642, Slovenia – 4243). Kosovo belongs to the group of four transition countries in

which the teacher/student ratio in higher education is more than 20:1 (Moldova 22.9, Slovenia 21.9, and Croatia 21.2). Considering the fact that Kosovo has the youngest population in Europe, the limited access to higher education is more explicitly shown by enrolment rates for the relevant age cohort.

- 2.2.9. Compared with the transition countries of similar population in the SEE (e.g. Slovenia and Macedonia), Slovenia has four times more students and three and a half times more university staff, while Macedonia has 25 percent more students and two and a half times more teaching staff. As far as the number of higher education institutions for the three countries is concerned, Slovenia has 46, Macedonia 4, and Kosovo 2. The statistics about higher education both in SEE and in the transition countries generally indicate that the access to higher education in Kosovo will have to be considerably widened and the enrolment rates will have to grow if Kosovo is to develop at a pace equal to other transition countries.
- 2.2.11. It is generally counterproductive to make comparisons between the SEE countries and the most advanced countries, but let us merely remind that the enrolment rate in the United States in 1995 (in some kind of higher education) was 81 percent and in the other Western OECD countries it was over 50 percent. Despite the rapid growth of enrolment rates in most developing and transition countries in the recent decade (including especially such transition countries as Bulgaria, the Czech Republic, Hungary, Poland and Slovenia), the enrolment gap between these countries and OECD countries has actually widened (World Bank 2002b: 46).

2.4. Higher education laws in SEE countries and in transition countries

- 2.4.1. The major difference in higher education systems in transition countries is between systems with relatively centralized higher education legislation, usually with a number of laws concerning higher education issues, and systems with legislation in which there is a major general (or framework) law and a number of issue is left either to universities themselves (university statutes) or to lower-level ministerial regulations, instructions and decrees. In most general terms, in the former model there is a legal context of functioning of higher education expressed in the following documents: the law on higher education in general; the law on academic titles and degrees; the law on accreditation and quality assurance; and the law on research activities and research funding; sometimes there is also separate law on vocational higher education.
- 2.4.2. The former model is more popular in several post-Yugoslav countries, including both Bosnia and Herzegovina and Kosovo. In the two countries the laws were developed with the assistance of the Council of Europe, following its decade-long project on the "Legislation Reform". The end result is a relatively general „framework" law, accompanied either by lower-level entity laws, ministerial regulations and university statutes (as in BiH) or ministerial regulations and a university statute (as in Kosovo).
- 2.4.3. Both models for developing legislation for higher education have their advantages. The major advantage of the former approach approach to higher education legislation is (commonly met in Central Europe) its state level and state status of the law. To change the law, through the Parliament, is much more difficult than to change university statutes or state lower-level ministerial regulations. Governments and ministers of education may change overnight, in many transition countries. Therefore

it seems important for the overall stability of the education sector to have clear state-level laws in higher education: the rules of the game between the state and public (or public and private) providers are clearly formulated in national legislation and cannot be easily changed. The major advantage of the other tradition, as practiced in Kosovo or BiH, is a relatively high flexibility of the legislation system in which many details are left entirely to education providers (with proper ministerial approval) or to ministerial regulations which do not require the parliamentary majority or SRSG signature to be put into force.

- 2.4.4. In the long-run, though, with a growing market for higher education services in Kosovo, and possibly with the emergence of the private sector, it seems that the higher degree to which controversial issues are resolved in the state-level legislation, the better for the overall stability of the whole system. The experience of several transition countries (Romania, Poland, Estonia or Ukraine) indicates that higher education sector is potentially a huge market in which high investments (and equally high returns) may be expected for private and corporate founders of new institutions. Suffice it to say that the private sector enrolments in Romania, Poland and Estonia is currently between 25 and 30 percent.
- 2.4.5. Consequently, higher education legislation needs to be clear and unambiguous, procedures for licensing, accrediting, re-accrediting and operating of educational institutions should be transparent, and the scope of potentially controversial issues which are not regulated at the state level should be minimized. Not only to avoid future legal disputes but also to avoid corruption and low-quality education.

2.5. Brief analysis of current laws on education in Kosovo

- 2.5.1. The law on primary and secondary education was passed by the assembly and signed by the SRSG in October 2002. The law on higher education, developed with the assistance of the Council of Europe, was passed by the assembly and signed by the SRSG in May 2003. The University of Prishtina have functioned according to a temporary statute between 2001 and 2004. The Senate of the University accepted a new statute (in accordance with a new law) in September 2003 and currently (February 2004) the University awaits the approval of the Ministry of Education, Science, and Technology. At the same time CoE and international experts are developing their version of the statute.
- 2.5.2. The law on higher education has been developed in full concordance with recent developments in European higher education; specifically, it provides solid legal grounds for the development of the higher education sector towards the goals set by the Bologna process. In every respect, the new law follows both the spirit and the letter of the Bologna process, similarly to other currently adopted (or publicly discussed) laws in other transition countries.
- 2.5.3. As a consequence of the post-Yugoslav tradition of higher education legislation and of following the guidance of the Legislative Reform Programme of the Council of Europe, the new law has a very general character, leaving the detailed formulations to the statutes of higher education institutions subsequent ministerial regulations and instructions. From this perspective, it is especially important to study the relationships between the law and the University of Prishtina statute (the only one available in

Kosovo today). These relationships will be crucial when new providers, public or private, appear.

- 2.5.4. For the governance and management of public providers, the statute of the provider is thus crucial. As seen in the law (chapter 4, section 13), the position of the ministry with respect to the statute of a public provider may be relatively weak. In the absence of legislation on higher education at the state level other than the present law on higher education, this may have far reaching consequences. The statute must ensure that some general principles apply (e.g. equality of opportunity in employment and equal access to study and research; no person shall act as a delegate of any group etc); it is submitted to the Ministry for approval “if it meets conditions set out in this law. Refusal by the Ministry to approve a statute or confirm modifications to it may be challenged before a court of competent jurisdiction” (art. 13.6). What it means effectively is that it may be actually difficult for the Ministry *not* to approve a statute of this or any other future institution (the Ministry may seek ways to influence the shape of the statute through the Board of the University where it has its representatives).

Example 1:

One of the most important issues from the perspective of increasing access to higher education under present financial constraints and in the absence of the private sector is that of accepting part-time (weekend, evening etc) students. The new law is clear in this respect: art. 2.5 states that “Higher education may be undertaken full-time, part-time, by distance learning and in any combination of these modes of study as provided in the statute of the provider which awards a higher education qualification”. Unfortunately, the new statute sent for the Ministry’s approval, following the recent policy of *not* accepting part-time students, is not as clear as the law; in its art. 96 it states that “The studies can be pursued by interrupting employment, without interrupting employment, in distance and in any other combination of these forms of studies”. How full-time and part-time studies are related to “employment” in a country where the unemployment of young people is well above 70 percent is hard to say. This vague formulation may well prohibit part-time studies in the future.

Example 2:

Holding academic positions in both the public and the private sector of education, or at the university and outside of the education sector, has been a widely discussed issue in several transition countries. The issue is vital not only for the emergence and development of private higher education but also, in some countries, for keeping the academic profession in poorly paid university positions and making them not escape the profession altogether. The issue is determined (or neglected) by laws on higher education, and reinforced in laws on the academic titles and degrees and laws on accreditation and licensing. As the issue is not regulated in the law in Kosovo, it has been taken by the Statute of the University of Prishtina in its section “Work outside university” (sec. 9, art. 86). The article states that “Academic staff with full-time employment in the University may work outside the University (in public or private firms, organizations or institutions, in Universities outside Kosovo) only with the permission of the Directing Council [Board – MK]. ... The issuing of the license for work outside the University, shall be regulated by

Directing Council through a special decision, in consultation with the Dean-Principal”. What its present restrictive formulation effectively does is providing restrictive national policy with respect to all new institutions, especially private: where are the academics to come from if there is one higher education institution in the country (at least in a transition period)?

Example 3:

While the law on higher education follows the spirit of the Bologna process, the statute of the University of Prishtina often loses its spirit and follows its own route. Example: even though UP introduces the undergraduate level of studies and a corresponding BA degree, in art. 145 it states that “The elementary University studies – Bachelor – last for *at least 3 years, and mostly 5 years* after finishing the middle school”. Consequently, MA studies would last “mostly” 7 years, or maybe more. The idea of compatibility and comparability of Kosovor education with that from other Bologna signatory countries is gone. The above formula finds even its expression in the Bologna-inspired “credit transfer system” formula: art. 148 states that “The student shall accumulate at least 180 credits in the elementary studies, *and at most 300 credits*”. To accumulate 300 credits is to study on average for 5 years. All the above examples demonstrate how, in the absence of national policy expressed in laws, university statutes may promote their own, sometimes uncoordinated, policies.

- 2.5.5. The three exemplary cases undermine the Bologna process goals: short undergraduate studies, diversity of institutions and diversity of modes of delivery of education, and relevance of studies to the labor market. They demonstrate that national policies which have to find their confirmation in university statutes are needed in the long run so that particular interests of institutions or faculties do not influence the course of development of the whole higher education system.
- 2.5.6. Consequently, there is a need of a new (detailed) law on licensing and accreditation so that the Bologna spirit of the current law on higher education is not twisted in lower-level regulations (such as those pertaining to the Kosovo Accreditation Agency and other quality assurance mechanisms). Accreditation and quality assurance is a major issue in all transition countries and it is of great importance to the process of integration of Kosovor higher education with reforming European systems. In the long-run, the decisions of KAA will determine the position of Kosovor diplomas in Europe. At the same time, nationally agreed, transparent regulations are necessary for the expansion of the education sector, especially but not exclusively private.
- 2.5.7. Judging from the experience of other transition countries (and some Continental EU countries), it may be useful to work also towards a law on research funds and a law on the academic profession. To leave the former at the level of ministerial regulations is unsafe for research funds in the longer run (research funds will always have to compete with other welfare or public-sector funds); to have the latter at the level of public higher education institutions (if new arise) may lead to major discrepancies in workloads, access or its lack to the private sector of economy, access or its lack to private education institutions, responsibilities and salaries across Kosovo. The negligence of these issues may have detrimental effects on the whole fragile system in the need of expansion.

PART III

HIGHER EDUCATION AND THE LABOR MARKET IN KOSOVO

- 3.1. Current higher education curricula require radical reformulations; no major changes in adapting the curricula and the structures and modes of teaching to the labor market needs have been reported on a more than accidental scale (there are variations between faculties here, though). The perceived need to revise curricula is reported in surveys of both students and the teaching staff. In a recent Riinvest survey (2004), students asked about general relevance of their higher education to the labor market, on a scale 1 to 5 (excellent), gave a mean answer of 2.88. At the same time, asked about the number of subjects relevant to their future employment, 25 percent mentioned one subject and 62 percent merely two. Thus in general, the relevance of studies is perceived by students as moderate, but when the survey gets into details, the mean number of subjects really relevant to future employment goes as low as 1,88. University professors, in the same Riinvest survey, perceive the changes in curricula as urgent: 84 percent of them see further changes as necessary.
- 3.2. The development of the private sector in higher education is bound to enforce changes in curricula, structures and modes of delivery in the public sector. In all transition countries, the private sector was beginning to operate as mostly labor-market oriented, which gave impulses for adaptations in the public sector in the same direction, mainly in undergraduate studies. This is especially true in countries, like Kosovo, where the number of qualified professors for both sectors is relatively limited and the two sectors are expected to overlap considerably (owing to the same teaching staff, at least in some transition period). The current law on higher education is not ill-disposed towards the private sector, as happened in the case of several transition countries (notably Ukraine). So from a legal perspective, the prospects for its growth are considerable.
- 3.3. The impact of the Bologna process on higher education system towards its relevance to the labor market should also be considerable in the coming years: the three-tier structure (BA-MA-PhD), a new ECTS-compatible credit transfer system, recognition of diplomas, and student mobility in the future should all have beneficiary effect on the system as a whole. Current response of the UP towards the Bologna agenda is very favorable, and the basic aim of the Bologna restructuring in Europe has been students' employability.
- 3.4. The impact of demographics will be increasingly powerful: the youngest population in Europe in mid-term will be looking for secondary, and then for (some diversified, usually vocational forms of) higher education; increasing enrolments in primary and secondary education will result in growing need for a bigger number of diversified institutions, both public and private; relatively limited access to higher education at the UP and its relatively elite status (the only university in the country) may result in rising expectations towards more market-oriented new undergraduate public and private institutions. The crucial role of the relevance of the academic programs to the labor market should be played by accreditation and quality assurance schemes. Current legal provisions seem satisfactory today, although these mechanisms have not been active yet.

- 3.5. At the same time, strictly speaking, the results of research pertaining to the relevance of current higher education to the current labor market may be misleading: the country went through the war five years ago, and higher education was operating as a “parallel” system for almost all 1990, preceded by severe underfunding before. These factors have had tremendous impact on both the labor market and higher education, both students and graduates and the academic staff. The impact of at least two decades of operating of higher education and its academic staff cannot be changed overnight but requires years, and also a development of the new generation of academics.
- 3.6. Consequently, the present author is very much cautious about answering questions which studies are most rewardable for graduates in terms of employment, even if survey data were available. With the current state of economy, and very high total unemployment, the young people are hit the hardest, as in many other countries. Higher education in more developed transition economies provides a powerful shield against unemployment. The relevant data confirm that the level of unemployment among higher education graduates is two to four times lower; private returns from higher education in terms of the level of salaries are highest in transition countries (reaching 180-190% of the salary of the upper-secondary graduates). The details of the above data and the table of public and private returns from higher education are provided in appendices.
- 3.7. Even though the data-based analyses of the current relationships between the labor market and higher education in Kosovo may have temporary relevance (e.g. the best work may be for international agencies), what is much more useful is the trends observed in other transition countries (and also, in the long run, in OECD countries). The trends indicate that structural reforms of curricula are necessary: from fact-laden, ex-cathedra teaching to more interactive ways of working with students, providing them with a clearly defined (in other countries) portfolio of basic skills and qualifications. Roughly, the idea of what these skills are may come either from employers (surveys) or from relevant academic studies. Employers indicate the need of workplace and interpersonal skills; problem solving; computer fluency, reading comprehension, writing and oral communication; ability to apply mathematics, and English. In other terms, these are: reasoning and the ability to apply knowledge; writing skills, and interpersonal or team skills (Newman 1999: 4-5). Not only degree, but first of all demonstrated competence is crucial (consequently, in transitional countries, the best students seek non-paid or lowly-paid internships in best corporations already during studies). Ideally, each faculty/department should have its “graduate profile”, continuously adapted to labor market needs (in the areas in which it is necessary).
- 3.8. It has to be noted that in some transition countries there has been reported a significant overproduction of graduates in such areas as management, marketing, or law, very popular in a recent decade and taught at undergraduate level in the part-time mode. The popularity of certain areas has been flowing up and down, but in the fragile labor market the above enumerated skills (and a higher education diploma) have proven rewarding.

PART IV

CHANGING GOVERNANCE STRUCTURES IN EDUCATION AND CURRENT RELATIONSHIPS BETWEEN MAJOR STAKEHOLDERS IN EDUCATION

- 4.1. Governance structures in education are currently defined by the relevant laws, ministerial administrative instructions and the (temporary) statute of the UP. At the level of higher education, there are several important issues that require further attention. These include: the relationships between the Ministry and the UP (position of the University Board, the role of external stakeholders in the Board, the various roles of the Rector in Senate, Board and the university administration); the autonomy of the university (including the issue of setting the level, collecting and managing student fees); the model of the university, including the autonomy of faculties as separate/the same legal bodies (“integrated university” as opposed to loosely linked, relatively autonomous faculties). Equally significant are further developments of accreditation schemes (state accreditation mandatory for each faculty - or each institution?), the role of the emergent Kosovo Accreditation Agency (KAA) and its independence from the Ministry, and the development of the agency to manage research funds for the public sector.
- 4.2. The relationships between new private sector providers, the Ministry, and the KAA is also of major significance. Even though under present conditions it may be a much more effective way for the Ministry to deal with the majority of the above issues by means of ministerial regulations (administrative instructions: see e.g. “Licensing of Private Providers for Higher Education in Kosovo” and “The Establishment of Kosovo Accreditation Agency”), in the long run it is much better to have a stable legal environment – i.e. to keep issues strategic for further developments in higher education resolved by relevant laws. Example: pressures to change any of the two regulations may be growing when higher education becomes, as in many other transition countries, a multi-million-dollar business. The importance of the legislation on accreditation, licensing of new providers and on the private sector generally is bound to grow considerably in medium to long term.
- 4.3. The process of decentralization of primary and secondary education in recent years has not been complete: school Directors are still appointed by the MEST (art. 13.5 of LPSE), even though the transfer of teacher employment to the municipalities has been effective as of January 1, 2003. The Director is appointed and employed upon receiving a recommendation from a common panel with representatives from the MEST and the municipality, in which the MEST has the majority. The municipality is responsible for employing and paying municipal educational administrators, teaching and non-teaching staff of public institutions. Even though the Director has responsibility for both academic and general administration of the school (art. 24.3), s/he is not able to hire or dismiss his/her teaching staff, just as the municipality is not able to dismiss schools’ Directors, no matter what their performance is. Recruitment procedures, to be developed by the MEST, allow the participation of school Directors in the appointment of teachers in their schools (32.5); no steps to be taken by the Director with respect to hiring or dismissing his/her teaching staff are mentioned in the law, though. Against the spirit of decentralization, vacancies not only for posts of school Directors but also for posts of teachers are advertised by the MEST (32.4a). Municipalities’ role is limited to selecting non-teaching staff in schools. Consequently, the influence of municipalities on schools under their jurisdiction is small: both directors and teaching staff are appointed by the MEST; additionally, also directors’ role in recruitment is limited. Although on the policy-making level, the MEST is supposed to issue instructions regarding appointment, tenure, promotion, discipline,

dismissal and retirement of teachers (32.3), its role in actual selecting and appointing both Directors and teachers should be limited, leaving decisions to municipalities. Also the decision concerning the establishment and the location of educational institutions at upper secondary level should not be taken solely by the MEST (11.3): at least their location should be consulted with municipalities and result from local needs. As there are several thousands of both primary and secondary schools, the inspections of institutions should be undertaken periodically within municipalities, by municipal education office staff, and not by the MEST. According to the law, inspections of educational institutions (and issuing “recommendations for improvement”) are responsibility of the MEST (13.3). The law does not present any mechanisms of cooperation of the MEST with municipalities in this respect. Municipalities are not obliged to perform such auditing inspections in the present law (they may be obliged by administrative decisions, though), which would seem much more efficient. Involving the MEST in work at this low level of operation of the system seems inappropriate, much more appropriate role being the coordination of inspections in different municipalities performed by their office staff.

- 4.4. The role of the MEST in licensing private educational institutions is adequate (41.1). The general criteria are formulated and they should be further determined in detail by an administrative decision. What is worrying is that municipalities (and their inspectors) play no role during school’s operation. Municipality should be involved in monitoring the operation of the institution: and the MEST’s role cannot be following developments of each and every private school in the country, should they appear in greater numbers. As the private sector in pre-school, primary and secondary education is a good business, some supervision by the Municipal Education Director should be required by law. Within schools, Directors are appointed by the MEST and not by School Boards and are acting as secretaries of the School Boards; their responsibility is enforcing the school rules but the draft of school rules is prepared by the School Board (and sent with Director’s comments to municipality). Consequently, the relationships between the Director and the School Board are not clear. Additionally, providing textbooks and other learning materials free of charge to pupils in primary and lower secondary level (3.2b) should be viewed as a luxury in the current under-funded system and should not be guaranteed by the law in the future; municipalities may consider supporting textbooks for needy students, though.
- 4.5. The relationship between the UP and the Ministry depends on the current law and the new statute of the UP being prepared with the assistance of the Council of Europe. Apparently, the statute of the UP approved by the Senate in September 2003 was responding mainly to the needs of the academics and their institution, and less to other stakeholders, including the Ministry and students. The composition of the University Board in the future statute of the UP, to be approved by the Ministry, is crucial to the influence of the state on the restructuring of the UP on the one hand, and its autonomy of the other.
- 4.6. The autonomy of providers in higher education at present is relatively high. The new law goes as far as guaranteeing them the right to “grant titles to professors and other staff” (art. 7.2.f) and “arrange their structures and activities through their own rules in conformity with the present regulation and subsidiary instruments issued under it, other applicable law, and their statutes” (art. 7.2.b). A public provider defines the title-related matters in its statute to be approved by the Minister and the Assembly, while a

private provider “shall have freedom to adopt any titles or grade” (art. 24.2) – which seems to leave to much room; even vocationally-oriented undergraduate institutions should employ and name its academic staff according to generally accepted rules in the academic community. In the absence of the law on academic titles and degrees, and the law stating the salary brackets and the workload brackets, at least theoretically, in this respect the law is too generous to institutions. These issues are left for statutes i.e. for the competence of particular institutions. The format and scope of statutes is not determined by the law; there are general suggestions only. The additional right of the university is its right to challenge before a court the decision of the Ministry not to approve a statute, which for a public institution seems far-going.

- 4.7. The founding of the KAA, in accordance with the new law, is of utmost importance for quality assurance in higher education. In the absence of independent schemes for accreditation, the decisions of the KAA will decide about the future of programs, faculties and institutions. According to an administrative instruction on the KAA (of December 2003), it will be, among other things, evaluating the quality of programs and course in both public and private sector; decide on accreditation; carry out inspections of licensed institutions; and give information, advice and recommendations for licensing and recognition of diplomas and of validity of study programs (AI, art. 6). The UP, by law, is considered as accredited automatically until August 2004 (LHE, art. 11.4). Then it is subject to re-accreditation procedures. Accreditation is mandatory for all licensed higher education institutions: the second failure to obtain it results in the revocation of a license. It is not clear, either from the law or from the instruction, whether accreditation procedures pertain to whole institutions or to their parts (faculties, departments); consequently, is the UP assessed – and accredited – as a whole or the procedures may be applied to its parts; what happens if a particular department or faculty represents considerably lower level of teaching and research than others – does this result in not accrediting this part, or the whole institution? So the major issue is what happens to poor unity units and subunits, are there mechanisms to either prove high quality in the transition period or close down the unit? The instruction consistently uses the term “institution” – which are inspected, licensed or accredited. Another concern may be raised about the result of not accrediting an institution for students: “KAA proposes to MEST to decide not to recognize the diplomas (degrees) issued by that higher education institution” (AI, sec. 10, d). The more effective and fairer tool would probably be to stop new registrations for the institution/program, rather than automatically to punish students by not recognizing their diplomas and degrees. The idea is to stop issuing diplomas rather than not to recognize their value.
- 4.8. In the future, the role of the KAA will be powerful also owing to a direct relation between its recommendations and observations related to the quality of teaching and research and the way of allocating funds to the PU (sec. 13, “Funding Methodology”). Consequently, the influence of the Ministry – via the KAA – on quality issues may increase considerably. What gives power to the Ministry to shape priorities in teaching areas is the possibility of relating the allocation of funds for teaching and the number of students to be educated at public expense in particular disciplines (art. 17.3). Public providers may receive rigid licenses stating the maximum number of students in a given area for which they get funded from the Ministry. These formulations leave enough room for the state to have its clear policy with respect to different disciplines taught at the UP.

- 4.9. On the other hand, the fundamental issue of setting the level, collecting, managing and finally spending fees has been not resolved in a satisfactory manner so far. Given that the level of fees is determined solely by the state, and that fees are paid directly to the Ministry's account, and do not stay (in any direct way) in faculties/at the university, the incentive for the faculty to have additional, innovative non-degree programs, part-time evening and/or weekend degree programs is very limited. As long as there is no relation between the numbers of students, the level of fees and the revenues for faculties (and academics), no further increase in productivity in teaching is expected. Similarly, a new scheme for research activities, about to be approved, may be an incentive measure for the academic community to get involved in research. Given current level of salaries, related only on the title and position within the university, and unrelated to teaching and research outputs, realistically, neither the expansion of the UP or of its research activities should be expected.
- 4.10. The issue of faculties having separate legal personality has been widely discussed in the region in recent years. Despite some clear advantages of relatively high autonomy of faculties (including financial autonomy, registration procedures, enrolments etc), the general direction is rather towards the model of the so-called "integrated university". In some countries, like Bosnia and Herzegovina, it has probably been on of the hottest issues which effectively precluded the adoption of a new law. In communist Yugoslavia, faculties were very autonomous with respect to "the university". In view of current developments in European higher education systems, especially as envisaged in the Bologna process, the model of the integrated university is much more effective in reforming the old structures within the university and implementing Bologna recommendations (especially the three-tier structure of studies and the credit transfer system). Consequently, both the new law and the new statute of the UP has to be praised for maintaining the integrated structure of the university and not allowing faculties to have legal personality. At the same time, though, there must be a balanced way of keeping faculties (and their academics) interested in bringing additional revenues to the UP (50 percent of revenues for additional teaching and 20 percent of additional research grants going to the university and the rest remaining in faculties seem a proportion encouraging enough, as in several transition countries).
- 4.11. The emergent relationships between the Ministry, the KAA and private institutions of higher education are of considerable importance for future growth of the higher education sector in general. Currently, these relations are regulated by three documents: the law and two administrative instructions – on the KAA and on licensing of private providers (AI 2003). Already in 2003 ten private institutions applied for a license to operate; 2 applications were accepted. The relationships between the two state bodies and private providers have not been sufficiently defined so far. The administrative instruction is unclear and its formulations may lead to different conclusions based on the same data provided by the applicant. The law, in turn, provides very general articles, apparently to find further specifications in lower level regulations. What is most controversial is the possibility of allocating public funds to private providers, for both teaching and research ("in the public interest", art. 23.1, 23.5). The vague definition may lead to unexpected budget allocations from the very tight state education budget. In the short to medium-run, the ban on transfer of public funds to the private sector (perhaps, with reluctance, except for some forms of need-based assistance for students) is strongly recommended. The new law on research

funds should take into account research in the graduate (and not undergraduate) private sector, based on transparent and academic criteria. (In most transition countries, generally, research funds to the mostly undergraduate level private institutions are in practice not available; public funding for teaching is not available, and recently some introduced loan – but not scholarship – schemes for students).

- 4.12. Other controversial issues in the MEST/KAA/private providers relationships include: freedom of adoption of any titles and degrees (LHE art. 24.2) irrespective of academic achievements, titles and degrees of the academic staff; no distinction made between undergraduate and graduate institutions (BA or BA and MA-granting) and consequently no differences in licensing and accreditation requirements; a long but unspecified list of general conditions for licensing a private institution (AI 2003) e.g. no requirements on academic standing of future teaching staff – merely a list; “enough facilities equipped according to international standards” – it is doubtful that any future provider knows what it means in practice (8.1.1); the points concerning the library and its inventory, computer labs etc – with no specifications, may be used against the applicant; from among 28 general requirements, only one concerns vaguely curricula: “list of literature, educational and technical tools” – consequently, the teaching dimensions is downplayed, as is the teaching staff dimension). There are no clear rules how many academics must be employed, what academic status is required of them, are there any restrictions as to their other employment possibilities, including the public sector (should not be any in the transition period). The definition of what institution can bear the name of the university derives from the Law and puts a requirement of 3.000 students. In other transition countries, such a crucial issue is determined by the number of full-time employed qualified academic staff (e.g. full professors), the number of accredited faculties or programs, and the right to confer PhD degrees.
- 4.13. The current legal status allows to open a university based solely on the number of students; the road of a private sector institution from the undergraduate (BA) to graduate (MA) to postgraduate (PhD) level is long and tedious. In transition countries with well functioning private sector, the requirements to be licensed on the second level are very high, and for the third – equal to highest national standards (Poland: 280 private institutions, 80 % undergraduate, 20% graduate, and only two of them have rights to confer PhD degrees). This is a major issue of quality assurance, and there has to be clear and transparent requirements. Otherwise the education sector may become a diploma mill, selling degrees to those who can afford it. The license should not be renewed annually (AI 2003, art. 13.1); at least 3-5 years are necessary, as should be the length of accreditation certificate. Quality assurance mechanisms, in contrast, should be in force on an annual basis. One year renewable license does not guarantee any future for the private investment, especially in the absence of rigid criteria of operating and closing on the level of the law. Consequently, the position of the MEST is much too strong with respect to private providers.
- 4.14. The role of students and the business community is too small in governance structures. Hopefully, the new statute of the UP will increase the participation of these stakeholders in setting the strategies and approving major reforming decisions. In the current economic situation, though, the high role of the Ministry in determining the future of the UP should be at least maintained, if not increased (including its role via the Accreditation Agency, redefining and Europeanizing standards and norms in curricula, national research priorities etc). In the longer run, the role of local

communities in the governance of new institutions should be considered, especially outside of the capital.

PART V

POLICY RECOMMENDATIONS AND STEPS TO BE TAKEN

5.1. Current options to expand the system and keep it sustainable are the following:

5.2. Given the growing importance of higher education graduates for the growth of national economies, the emergent role of universities as engines of economic development in knowledge-based societies, both private and public, individual and social returns from education, especially higher education; and given on the other hand very low enrolment rate in higher education as a consequence of both low enrolment rate in upper secondary education and the limited access to the University of Prishtina, it is necessary in the coming years (and sometimes in the coming decade) to:

- increase the enrolment rate in upper secondary education to 90 percent, improving at the same time the quality of education at this level
- increase the enrolment rate in higher education at least to the current level reached in most transition countries (at least 25-30 percent). Consequently, it may be necessary to reconsider the University of Prishtina policy of excluding part-time (weekend etc) studies from its educational offer. In the long run, it is unbearable that the number of higher education students in Kosovo today is lower than their number not only twenty, but also thirty years ago
- expand the public sector in higher education through expanding the University of Prishtina or complementing it with a system of public vocationally-oriented higher education institutions (providing e.g. education at an undergraduate level, 3 years long, with BA degrees only)
- solve the problem of the ethnic and linguistic integration of Serbs into the official – and not parallel – system of education and resolve the issue of the Mitrovica “university”
- develop the private sector in higher education, especially but not exclusively on an undergraduate level and vocationally-oriented
- increase (radically) the relevance of secondary education, and especially undergraduate higher education, for the labor market needs through developing new curricula, updating existing curricula and taking into account existing social and economic realities in Kosovo. Gradual convergence with university curricula in different European countries will be necessary to keep Kosovo in the emergent “European” spaces for teaching, research, and innovation
- increase the participation rates in both secondary and higher education for girls and minority groups, often marginalized today
- keep the increased government expenditure in education at the 4-4.5% of the GDP, and increase the share of expenditure on higher education in the overall education budget to 15-20 percent, meeting current levels in most transition countries
- increase the share of investment expenditures in higher education budget to avoid further degradation of university premises
- keep the current teacher/student ratio in higher education at the same (already quite high, by comparison with other transition countries) level while possibly increasing the teacher/student ratio in primary and secondary education (to

25:1), especially through more efficient use, or gradual closing and merging, of rural schools with small number of students (and as a way to compensate for this, making it mandatory to municipalities to provide school transportation)

- increase the level of research funding available to the public (and possibly also private) sector, especially in the areas most critical for the economic growth on the one hand and social cohesion on the other
- develop mechanisms to increase salaries in public higher education to avoid the brain-drain to the emergent private sector (both in education and outside of it): bigger differentiation in salaries related to teaching and research outcomes; promoting participation in European research projects; possibly developing transition mechanisms to allow the academic faculty to hold an additional job in private education
- promote (in general terms) the spirit of academic entrepreneurialism instead of the prevalent public-sector mentality, inherited from the past
- develop mechanisms supporting international activities of academics through a system of additional grants or other incentives
- implement the systems of accreditation for new institutions and their programs and existing institutions and their programs
- implement clear per-student funding formulas in higher education
- implement measures to base research funding for particular faculties on measurable research outputs (number of new PhDs, international publications, patents and inventions etc)
- enter the emergent European Research Area and European Higher Education Area and using both intellectual and funding opportunities they provide
- develop higher education system in concordance with most general requirements of the Bologna process, although adapted to local needs
- define national priorities for research activities, based on both realistic assessment of their current levels and their relevance to the economic growth of Kosovo
- fight corruption in higher education

5.3. It also seems necessary to develop mechanisms to increase the level of non state funding for public higher education, to complement state funds available. It is impossible to get a high quality product (higher education) for very low personal investment (fees), except for some affluent countries; also it is impossible, in the long run, to provide a high level product (education) without proper payments (salaries); there is a clear interrelation between the price of the product and its quality, perhaps best viewed by the private sector of education in transition economies. Possible options to increase university revenues include:

- increased level of fees for students, accompanied by a system of needs-based scholarships, stipends or loans (the current level of fees – 13 Euro per month – is extremely low, by any standards, including its relation to the average salary, compared with other transition countries. It could be easily doubled, bringing additional 3 mil. Euros to the system at current level of enrolments)
- further commercialization of graduate and postgraduate studies, leaving the majority of students studying undergraduate studies with lower fees and the minority studying graduate and postgraduate studies with higher fees
- re-introduction of part-time studies (paying high-fees, leading to BA degree only, possibly labor-market and vocationally-oriented)

- commercialization of research results, especially resulting from increased cooperation with the industry
- development of non-degree high-fee vocational postgraduate courses
- reduction of non-education related subsidies and the introduction of competition in providing non-educational services (dormitories, cafeterias, university restaurants, printing and copying services etc) by leaving them to the private providers; leasing non-education premises for private services
- improvement of effectiveness and increasing efficiency in resource use: downsizing the non-teaching staff (current rate of the teaching to non-teaching staff is almost 100/50), centralizing university administration etc.
- increase of the level of private and corporate donations through a system of tax- and prestige- related measures

5.3. CONSEQUENTLY, GENERAL POLICY RECOMMENDATIONS (MEDIUM TERM) ARE THE FOLLOWING:

- to increase radically access to upper secondary and higher education (with enrolment rates 90 percent and 25-30, respectively)
- to increase radically the relevance of education to the labor market needs,
- to differentiate higher education system and its modes of delivery,
- to develop the private sector in higher education,
- to develop clear licensing procedures, accreditation schemes and quality assurance systems for both sectors, based on what has already been done,
- to follow closely European developments in higher education and research policies (Bologna process and the European Research Area) and adapt them to local needs,
- to avoid regulating sensitive issues by ministerial regulations, preferably leaving them for state laws (e.g. private sector, fees, Bologna structures etc),
- to increase cost-sharing in higher education to make the expansion of public sector institutions (student fees),
- to view comprehensive reforms in higher education as a long-term process

5.5. DETAILED POLICY RECOMMENDATIONS ARE THE FOLLOWING:

- to expand the public sector in higher education through expanding the University of Prishtina (UP) and/or opening new, mostly undergraduate, vocationally-oriented public institutions,
- to reform radically the curricula at the UP to accommodate the labor market needs and students' expectations,
- to re-introduce part-time fee-paying studies at the UP,
- to increase the level of fees at least 100% in the short run (to 26-30 Euro per month),
- to develop solid laws on accreditation, academic titles and degrees, and state research funds,
- to develop clear, per-student, outcome- and cost-related models of funding in higher education,
- to develop models of need-based state assistance to students in both sectors of higher education,
- to increase the autonomy of the UP in spending its revenues, possibly including those from full-time and/or part-time students' fees,
- to reach and keep the government expenditure in education at the level of 4-4.5% of GDP,

- to increase the share of higher education budget to 15-20% of the overall education budget,
- to keep current teacher/student ratio in higher education (25:1) and increase the ratio for primary and secondary education to 25:1,
- to make the governance structures in secondary and higher education more coherent,
- to develop long-term strategic plans for secondary and higher education.

PART VI

APPENDICES

Appendix 1.

The number of students, teaching staff and population (academic year 1999-2000, or the closest), for selected SEE and Central and Eastern European countries.

Kosovo: 23,175 students, 944 teaching staff, the population of 2.2 mil. (2002/2003)

Country	Number of students					Number of teaching staff	Total population in 1999
	Public	%	Private	%	Total		
Albania ^{1,*}	18,550	100.0	-	-	18,550	3,208	3.2
Belarus ²	207,000	85.1	36,500	14.9	243,500	17,187	10.4
Bulgaria ³	215,676	88.5	27,916	11.5	243,595	23,329	8.0
Croatia ⁴	117,205	98.6	1,646	1.4	118,851	5,585	4.5
Czech Republic ⁵	186,497	99.7	503	0.3	187,000	9,800	10.3
Estonia ⁶	38,511	74.8	12,963	25.2	51,474	3,715	1.4
Hungary ⁷	239,842	85.9	39,155	14.1	278,997	21,249	10.0
Latvia ⁸	78,156	87.3	11,353	12.7	89,509	5,160	2.3
Lithuania ⁹	93,490	98.6	1,302	1.4	94,792	9,560	3.7
The FYR of Macedonia ¹⁰	27,000	100.0	-	-	27,000	2,419	2.0
Moldova ¹¹	87,700	86.9	13,127	13.1	100,827	4,400	4.4
Poland ¹²	1,018,088	71.6	403,189	28.4	1,421,277	80,134	38.7
Romania ¹³	310,285	70.4	130,054	29.6	440,339	54,474	22.5
Russian Federation ¹⁴ **	3,347,200	93.0	250,000	7.0	3,597,200	282,400	147.7
Slovak Republic ¹⁵					85,751	9,560	5.3
Slovenia ¹⁶	76,584	94.9	4,031	5.1	80,615	3,682	1.9
Ukraine ¹⁷	458,553	92.5	37,383	7.5	495,936	119,800	51.1

Source: CEPES/UNESCO, Bucharest, Romania, 2002 (mimeo)

Appendix 2.

The number of institutions in selected SEE and Central and East European countries (1999-2000 academic year, or the closest available).

Kosovo: 1 public institution, 2 small private institutions just licensed.

Country	Number of institutions				
	Public	%	Private	%	Total
Albania ¹⁾ **	11	100.0	-	-	11
Belarus ²⁾	42	73.7	15	26.3	57
Bulgaria ³⁾	79	89.7	9	10.3	88
Croatia ⁴⁾	93	97.9	2	2.1	95
Czech Republic ⁵⁾	27	90.0	3	10.0	30
Estonia ⁶⁾	14	40.0	21	60.0	35
Hungary ⁷⁾	55	61.8	34	38.2	89
Latvia ⁸⁾	20	60.6	13	39.4	33
Lithuania ⁹⁾	15	68.2	7	31.8	22
The FYR of Macedonia ¹⁰⁾	2	100.0	-	-	2
Moldova ¹¹⁾	13	32.2	15	67.8	28
Poland ¹²⁾	104	36.3	182	63.7	286
Romania ¹³⁾	57	40.7	83	59.3	140
Russian Federation ¹⁴⁾ **	580	63.5	334	36.5	914
Slovak Republic ¹⁵⁾	22	95.7	1	4.3	23
Slovenia ¹⁶⁾	39	84.8	7	15.2	46
Ukraine ¹⁷⁾	806	69.5	353	30.5	1159

Source: CEPES/UNESCO, Bucharest, Romania, 2002 (mimeo)

Appendix 3.

The number of students per 100,000 inhabitants in selected SEE and Central and East European Countries

Kosovo: 1,000

Country	Number of students per 100,000 inhabitants
Albania*	580
Ukraine	971
FYR of Macedonia	1350
Slovak Republic	1618
Czech Republic	1816
Romania	1957
Moldova	2292
Belarus	2341
Russian Federation**	2435
Lithuania	2562
Croatia	2641
Hungary	2790
Bulgaria	3045
Poland	3673
Estonia	3677
Latvia	3892
Slovenia	4243

Source: CEPES/UNESCO, Bucharest, Romania, 2002 (mimeo)

Appendix 4.

The ratio student/teaching staff in selected SEE and Central and East European countries (1999-2000 academic year, or the closest available)

Kosovo: 25:1

Country	Ratio Student/Teaching Staff ¹
Moldova	22.9
Slovenia	21.9
Croatia	21.2
Poland	17.7
Latvia	17.4
Czech Republic	19.1
Belarus	14.2
Estonia	13.9
Hungary	13.1
Russian Federation**	12.7
FYR of Macedonia	11.2
Bulgaria	10.4
Lithuania	9.9
Slovak Republic	9.0
Romania	8.1
Albania*	5.8
Ukraine	4.1

Source: CEPES/UNESCO, Bucharest, Romania, 2002 (mimeo)

Appendix 5. 2002-2004 Kosovo education budget, by sectors

Sector of educ.2001	2002		2003		2004			
	KGB	PIP	KGB	PIP	KGB	PIP		
Primary	37.684	0.990	19.132	0.000	50.392	0.000	51.579	0.000
Secondary	12.259	0.000	6.915	0.000	20.148	0.000	20.875	0.000
Higher	6.395	0.028	9.891	5.400	12.491	3.200	13.514	1.200

KGB: Kosovo General Budget (domestic revenues)

PIP: Public Investment Program (international donor funding)

Adapted from MEST (2003).

Appendix 6. Unemployment of higher education graduates in selected transition countries, percentage of corresponding labor force (1997)

Country	Unemployment rate for tertiary education graduates	Unemployment rate
Bulgaria	5.2	13.7
Czech Republic	1.2	4.3
Hungary	1.9	9.3
Latvia	7.7	15.9
Poland	3.7	11.3
Romania	2.2	5.5
Slovak Republic	3.1	11.2
Slovenia	3.8	7.1

(Adapted from: World Bank 2000b: 126).

Appendix 7.

Private and public economic and social benefits from higher education

Benefits	Private	Public
Economic	Higher salaries Employment Higher savings Improved working conditions Personal and professional Mobility	Greater productivity National and regional development Reduced reliance on government financial support Increased consumptions Increased potential for transformation from low skill industrial to knowledge-based economy
Social	Improved quality of life for Self and children Better decisionmaking Improved personal status Increased educational Opportunities Healthier lifestyle and higher life expectancy	Nation building and development of leadership Democratic participation; increased perception that the society is based on fairness and opportunity for all citizens Social mobility Greater social cohesion and reduced crime rates Improved health Improved basic and secondary education

(source: World Bank 2002b: 81)

Appendix 8.

Private returns from higher education in some European OECD countries – relative earnings of the population with income from employment (upper secondary and post-secondary non-tertiary = 100, 1999 or the closest.

Country	Tertiary Type B	Tertiary type A and advanced research programs	Tertiary education
Belgium	112	146	128
Czech Rep.	151	180	179
Denmark	112	151	124
Finland	129	190	153
France	125	169	150
Germany	115	163	143
Hungary	151	194	194
Netherlands	136	141	141
Norway	153	131	133
Portugal	141	192	178
Switzerland	144	164	157
UK	128	174	159

(Adapted from OECD/CERI, 2003)

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