Albania Higher Education

Report

by

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Introduction

Albania is a small country in transition from a centrally planned economy to a more market oriented one, within a democratic political framework. As in other countries in transition, the process of change needs a long time. Most parts of the Albanian social and economic infrastructure have made some changes, but more development is still needed.

In 1999, the higher education Law changed some aspects of the system – though in a rather incomplete and inconsistent way. There is recognition that more change is needed in higher education and the government has started to develop a Master Plan for the future of Higher Education. Early work on the Plan focussed on specific aspects of change, for example on the role and position of the Research Institutes. But it is clear from discussions that the final Master Plan is intended to cover all the main aspects of the higher education system.

The work for this report has been undertaken to provide analysis, ideas and suggestions for consideration within the Master Plan; it has been financed by the European Investment Bank and supported by the World Bank.

To undertake the work, a two person consultancy team visited Albania for two-person weeks, with prior and subsequent reading (some of which is listed in Annex A). During the visit, we held discussions with many relevant people, in government departments, in public bodies and agencies and in various universities (in Tirana and outside, with staff and students). We are very grateful for the time and the frankness of all those to whom we spoke.

In addition to the information and opinions that we gathered about the position in Albania, between us, we have experience of working with higher education systems in about 25 other countries – including several in transition. This experience was used to help us to interpret what we found in Albania. Based on our visit, our reading and our previous experience, this report draws conclusions and recommendations about what we think might be usefully included in the Master Plan.

All our conclusions are based on analysis, reasoning and experience as set out in the report – which is why it is nearly 30 pages. For the sake of convenience, our recommendations are also listed in Annex B, but we would urge that this list is not used without an understanding of the analytical basis for them. In Annex B, we also suggest how each recommendation might be handled within the Master Plan, in terms of treatment and timing.
Some of our recommendations suggest a need for further analysis, some of which will be able to be done in time for inclusion in the Master Plan. For other areas, the Master Plan should raise and discuss the issue concerned and then set a timetable for the analysis that is still needed.

We hope that this report is found useful not only for the production of the Master Plan, but more importantly, for the future of higher education in Albania.
1. **Size and shape of the higher education system**

1. Albania is looking to take its place within Europe, recognising that this will take some time. To sit alongside the rest of Europe, it needs to have a more skilled and educated working population who are able to function effectively in what will increasingly be a knowledge economy.

2. Government estimates suggest that the current percentage of the population/labour force (aged 25-64) with tertiary education was around 8/10% in 2001 (Annual Statistical Report of Education 2002/3). More recently, a document called ‘Informacion Statistikor’ estimated that there were about 43,000 full time students in tertiary education (in 2004/5) – and a further 20,000 part-time students. There has been significant concern about how low these figures are compared with most of Europe, particularly as the gross/net enrolment rate in tertiary education was only 15/11% in 2002/3, and contrasted sharply with the 20%-30% levels in other transitional economies (Bosnia-Herzegovina 19%; Macedonia 23%; Serbia and Montenegro 24%; Romania 33% and Belarus 34%)

3. For the labour market, the overall records suggest that university graduates do better both in finding jobs and in earnings. Of the 157,000 registered unemployed in 2004, less than 2% had university education, contrasting with about 45% who had upper secondary education (INSTAT document). The effect is even more pronounced for women, and women with university education have the least problems in finding jobs. In the private sector, those with more than secondary education were found to earn 75% more than those with secondary education (LSMS 2002).

4. This does not mean there is an unmet demand for graduates. The economy as a whole still operates as a classic transition economy with high levels of unemployment, low levels of private sector jobs outside agriculture, and where it takes more than a year to find a job for an unemployed person. Indeed the labour market conditions are so far from being settled that it would not be sensible to launch an aggressive expansion of the tertiary sector at the moment.

5. More importantly, it is not clear that the current tertiary education programmes adequately reflect the changing needs of the economy, in which new types of graduates are needed to lead market-based growth. In contrast to the past, when graduates were absorbed into the public sector in a planned way, future graduates will work in a diverse set of private sector jobs (many of which may not even exist in Albania today), and can expect to change jobs several times in their lives – as in most market-oriented economies (see section 2 for a fuller discussion).

6. The emphasis must be given to improving the quality of programs so that they equip graduates with what is likely to be needed in terms of breadth and flexibility in skills – before serious targets should be developed for any expansion. In terms
of social demand, there are more potential students wishing to attend university than there are places, although this would not yet appear to be overwhelming. In recent years, three quarters of secondary graduates were admitted into higher education. This demand can be expected to increase, for demographic reasons, from improvements expected in secondary education and from an increasing realisation among prospective students that a degree will help secure better employment.

7. The government recognises that any expansion of the system will take time and should be planned in advance of the manifestation of the actual labour market demands themselves. It is not concerned if an initial result of expansion is that some graduates look abroad for their employment, at least for the time being. The policy decision of the government is that they consider that they have a duty to young people to enable them to get a good quality degree that will help them to secure employment - wherever it is.

8. The government intention is that the percent of the working population with a degree should be increased to 25-30% by the year 2020, which suggests a reasonable target participation rate of around 25-30%. To achieve this, the capacity of the system would need to increase from about 43,000 full time students (in 2004-5) to nearer 60,000 by about 2020. These figures are necessarily very approximate; but for policy purposes, the key point is that the proposal implies an increase in current numbers of full time students by 50% over the next 15 years or so.

9. This may be achievable in quantitative terms – but only if quality was not a concern. Since 2002, there has already been a massive expansion in enrolments, which has grown by 45% mainly because of increases in progression rates. Whereas in the past, only about half the secondary graduates were entering tertiary education, today three quarters do. There is already a question as to whether such a rapid expansion has had a negative effect on the quality of entering students. To increase expansion further would require there to be a larger number of qualified secondary graduates and higher progression rates.

10. So far the policy targets appear to have little analytical justification, except by reference to European comparisons. It is critically important to balance such international comparisons with the educational conditions of Albania - particularly in terms of the quality of provision. The rate of expansion in the HE system in the Master Plan should not proceed without curricular (and other) reforms to modernize the content of teaching to meet the likely future labour market needs; it should also not be faster than the growth of suitably qualified potential students, nor a realistic increase in the numbers of suitable academic staff to teach them (including those returning from abroad).

11. Once a timescale for expansion has been identified, there are several questions of balance that need to be developed into policies. These are considered below.
12. **The balance of future HE growth.** Two important purposes of higher education are to help the social development of the country and to supply highly skilled manpower. In a market economy, labour market needs cannot be predicted as numbers of specific jobs – diplomas that are named in terms of jobs (e.g. ‘journalist’) are a residue from a more centrally planned economy. Experience elsewhere suggests that the future is more likely to require sets of generic skills rather than specific job-related qualifications; section 2 discusses this in more detail.

13. Nevertheless, in a small market economy, such as Albania, a national economic plan should indicate general directions for future development, which should provide a steer about the balance of future HE growth in terms of broad subject areas. This is not to suggest a return to a form of ‘manpower planning’, but rather that the balance of growth of HE should **not** be determined simply by “opening the doors” of the universities to a market consisting only of the desires of intending students – who will often be badly informed about the future. For instance, Albania appears to attract surprisingly few students in engineering and science – 8% to be compared with 20-30% in most transition economies. While such a low level may at least in part reflect the high proportion of teacher training in tertiary education in Albania, it is important to review whether this is appropriate for the future national economy. **The work for the Master Plan should include an analysis of national economic development plans to identify any broad indications of future needs (cf the Irish experience with their Regional Technical Colleges).**

14. **Levels of qualification.** The balance of current provision in Albania is almost entirely at first degree level (diploma). With the exception of the College of Nursing in Tirana (and one could argue that even this is similar to a bachelor’s level program, given its duration), there is a notable absence of vocational sub-degree provision after secondary school; this is in marked contrast with many other countries in which 1-2 year associate degree programmes are available at post secondary levels. It would not be wise to consider developing such provision merely as a way to relieve student pressure on full HE; as this would mean that such provision would always be seen as a fall-back by students. But there is a good case for such provision in its own right, to provide the ‘technician level’ skills likely to be needed in the future labour market and which could then be presented to potential students as valuable in its own terms.

15. One obvious place to locate such provision in the current system would be within the regional universities – at first sight, this would seem more sensible than what would almost certainly be the more expensive alternative of setting up new institutions. The regional universities might try to resist such a suggestion – for reasons of their perceived status; unfortunately they might claim the Bologna position in their support - the narrower concerns of Bologna do not consider sub-degree level work. A further possibility might be for such provision to be taken as a new market opportunity for the private sector – see below. **Analysis should be**
undertaken for the Master Plan to examine the potential role for sub-degree provision in Albania, its possible volume and how and where it might best be developed.

16. There is also the question of balance between undergraduate, masters and doctoral education provision. Doctoral education is currently extremely small and almost entirely within the three main universities in Tirana. Given the capacity of the system, this concentration is almost certainly right – and for the foreseeable future too. It is important for the three Tirana universities to take the quality issues in doctoral education seriously – as this is one of the critical functions for staff development within higher education. For example, modern sciences require so much more structured knowledge and training that European universities are increasingly introducing evaluated taught courses into their doctoral training.

17. At the same time, it is important to recognize that a small developing country such as Albania will not be able to develop a full range of doctoral programs, and that a healthy injection of foreign trained PhDs into the system would be warranted for the sake of dynamism in the sector. There appears to be a significant number of Albanian students overseas (8,000 in OECD countries) – some of whom may be studying at postgraduate levels. The question is whether Albanian universities could tap such human resources for their future staffing and whether such a ‘market-based’ approach would leave some critical teaching areas not provided for.

18. A more confusing picture arises for Masters’ level education, which should also be undertaken only by those institutions which have sufficient staff capacity to undertake it (again, that is the three Tirana ones). It is unfortunate that the Bologna declaration, developed for the context of richer, more advanced countries, risks being interpreted as an encouragement to all regional universities to develop Masters’ programs – just to satisfy the 3+2 model. The Master Plan should make clear that, at least for the time being, the model for the regional universities should generally be 3+0 as it is generally recognised that they simply do not have the capacity to make any postgraduate provision – with the possible exception of programmes in teacher training.

19. The balance of public and private provision. In Albania, there is a strong case for any future expansion of the public provision being to grow existing institutions rather than to set up new ones, given that many of individual universities are small and the potential for getting scale economies. We understand that this is the government’s position; the Master Plan should make it clear that any future expansion of public provision will be achieved by expanding existing institutions rather than building new ones. But any expansion of the public sector raises questions about its affordability and the government is aware that the future will need more private contributions to HE. One way to do this is to encourage the public universities to generate more of their own income (for example through a ‘user pays’ approach). The current
financial system in Albania makes this very difficult; section 6 discusses the points in more detail.

20. The private provision of universities can also make a contribution to expansion. There are already four private providers (and about a further 20 have submitted applications); the current ones are all very small and specialised. Considerable caution is needed, together with a rigorous process to ensure there is high quality in such provision. Several other countries have suffered as a result of very low level private institutions opening as universities. Not only does this mislead potential students but when qualified academic staff are a scarce national resource, it can also damage the public system. **The Master Plan should set out clearly how quality is to be ensured for any new private provider of HE – and should make clear that there are to be no public funds to assist the providers** (a problem that has arisen elsewhere due to a lack of initial clarity).

21. Longer term thought also needs to be given to the future role of private providers within the spectrum of provision. The question is what are the public universities failing to deliver – and what kind of positive diversity could private institutions bring? For example, some private institutions can provide excellent competitive pressures at the high-end of the spectrum (as in the US or in Turkey). In other cases, they can take the pressure from the excess demand that the public universities cannot meet (as in Japan) or they might form the backbone of a new sub-degree sector. Simply allowing private providers to establish themselves (albeit with a quality check) without a clear policy about their relative role vis-à-vis public provision can result in damage to public provision and in contentious problems later – again other countries have experienced this.

22. One common issue in countries where there are real constraints in terms of academic staff (often due to their levels of academic pay) is that private universities tend to proliferate in the (cheaper) subjects similar to public institutions, with academic staff from the public sector universities taking on the bulk of the teaching as part-time staff in their ‘spare time’. This arrangement tends to take away good staff from public institutions to private institutions where they then teach lower quality students – leading to an inappropriate allocation of national staff resources.

23. **The options for policies about the relative roles of private and public provision should be examined as part of the work for the Master Plan.** The analysis should also provide an indication of the likely future contribution that might be expected from the private sector within that role.

24. **Role differentiation within the public provision.** There is already some role differentiation between the regional universities and the three national universities in Tirana. The main current difference is that the regional universities are largely providers of teacher training – although Tirana University itself also provides a fair amount of such training (see section 3).
25. As in many other countries, there would seem to be benefit in defining a clearer role for the regional universities to be involved in the economic and social development of their regions and local areas. This would require them to be much more active within their local communities and economies, finding ways to help their economies to grow and thrive. This can be done by the university providing local development services and consultancy to help local businesses and communities (see section 5). Such work will often also generate additional income for the university at the same time (but see section 6). The regional universities should be in a better position to provide such services after the proposed mergers with the development focussed ‘Research Institutes’.

26. In contrast, the three Tirana universities should also focus on research – but also on regional/local development too (for example, in Italy even the best research universities have adapted to offer degrees and research that are relevant to their regional/local needs). Again, a small developing country such as Albania should not even think about developing a full range of research capacity. It will be critically important to take a selective approach to the development of research capacity in areas of strategic importance to Albania (see section 5). The work for the Master Plan should examine how these differentiated roles can best be defined and then encouraged in operational terms – for example with some initial funding at the regional level.

27. **Full time and part time provision.** There has been a surprisingly rapid growth in part time undergraduate provision in the last 10 years – from 11,000 in 1994 to 20,000 in 2004. This is much greater in some subjects than others and may reflect the fact that universities can charge significantly higher fees for part time provision than they can for full time provision. [Along with ‘secondary’ students who are admitted into undergraduate programs in spite of their low admission score because they can afford the higher fees – see section 4]. The rationale for the current fee differentials is unclear. The balance between full time and part time provision cannot be left entirely to the market, particularly when the fee differential considerably distorts the incentives for universities. **Further work for the Master Plan is needed to examine the relative need for part time provision and so develop polices for its balance and funding (and charges) by comparison with full time provision.**

2. **Teaching: Relevance and quality**

   **Relevance**

   28. Most of the undergraduate (diploma) programmes are given titles which, rather than describe the qualification, suggest that the holder is now qualified for a specific job (eg the diploma is for a ‘journalist’ not a diploma in ‘journalism’). This is more than a semantic point as it reflects the operation of an economy in which graduates were prepared for, and expected to get, predictable jobs with the
29. Of course there are ‘professional’ courses in universities aimed at specific jobs, for example for doctors, but particularly for teachers, which is so important for HE in Albania that it is discussed separately in section 3. But market economies in the 21st century will need people with appropriate competences rather than a particular qualification; the two may, but may not, be linked. The rather ‘old-fashioned’ assumption that every diploma should be for a particular job produces an attitude that seems to pervade teaching in Albanian universities: teaching is arranged in narrow and fairly traditional specialisms and is provided in a classical mode. This method may be simple for the academic staff, but it gives the wrong impression to students about what to expect after their graduation and it does not serve their future interests.

30. University teaching should be more relevant for the expected future needs of the labour market, but there is an irony in this, because most of the current diplomas were designed precisely with specific jobs in mind. But that is exactly the problem: the concept of a ‘labour market’, based on people’s competences and on job flexibilities, bears little resemblance to a more planned economy. The problem in Albania would seem to be that the approach to university diplomas has not yet caught up with that change; this is not unusual in transitional economies.

31. There is a further problem as the Albanian economy has not yet fully developed into a market one and so there is a fairly unsophisticated labour market – which is why it would be fairly pointless to conduct a labour market survey at this time. As a small country, such market development is likely to be fairly slow. But this means that the universities can lead by preparing graduates in ways that will help the development of a more ‘knowledge based’ economy.

32. Based on what has been happening in some other countries whose development is a little ahead of Albania, there are three complementary ways in which the universities could help such development. The first would be to provide broader based degrees, including multi-disciplinary ones, and to promote the concept of ‘life-long learning’. Second, the provision should emphasise ‘generic skills’ such as problem-solving, creativity, analytical thinking; this usually requires major changes in the style and approach to teaching style, not just in the subject matter. Third – and simplest, is to provide additional teaching to all students in key subjects such as IT and English as well as the principles of entrepreneurship - hopefully to be used in the legitimate economy!

33. Degree programs designed with these three aspects would be quite different from many of current ones, which tend to be arranged in narrow specialisms and to use a teaching approach that simply ‘pushes facts’. There are both attitudinal and procedural changes needed for these positive developments to happen – within universities as well as within MoES. (We understand that even now some regional universities are moving in the opposite direction and splitting their diplomas into
even more narrow ones, partly as a way to preserve the jobs of the academics; while it still has the powers, the MoES should stop this now – but see also section 7 for the longer term.)

34. Within universities, many think that multidisciplinarity should only be at postgraduate level and/or that it would require a new ‘unit’ to be established with that explicit remit. In fact, all that is needed is cross-faculty working – and perhaps working across universities too, given the specialised nature of two of those in Tirana. But there are attitudinal barriers to cross-faculty and cross-university working and there are no incentives to encourage it. It will be even more difficult to develop teaching of generic skills as this would require a major change in the teaching style of academics – for example with more interaction students and questioning by students.

35. Given the likely reluctance by academics to make such changes, it is unfortunate that the ‘centre’ of the university appears to have no powers, or funds, to encourage the changes. Section 7 suggests changes needed in university management to provide a stronger central role. Even if all the internal barriers could be overcome, the last hurdle would be the requirement for approval from the MoES. There would also be a title problem: what ‘job title’ would a diploma be called that combined several sciences or even combined physics and economics? Section 7 suggests greater devolution to universities which would remove this detailed role from the MoES and leave it with the powers to set policy about the types of programmes to be encouraged (or discouraged), but only very rarely be involved in a decision to open or close a specific programme.

36. We were told that the government intends to ‘liberalise’ the curriculum; we did not have the time to explore what was meant by this, but hopefully it will include all the points made above. More specifically, the Master Plan should make clear proposals for how broader diplomas are to be developed, both in terms of their content but also through changes in the teaching style of academics to develop more ‘generic’ skills in the future.

37. Parallel changes are also taking place in the context of the Bologna declaration. There would appear to be a general understanding that the model for Albania will be 3+2 rather than 4+1 – although there are one or two powerful faculties resisting this. It would be confusing for students to have similar degrees but of variable lengths, particularly at the undergraduate levels. The Master Plan should recognize the need for a national norm for the Bologna model of degree provision. Universities may have an option to diverge from such a national norm – but only based on a sound analysis and an explicit, university level decision to do so.

38. In preparation for Bologna, we understand that some universities are simply repackaging their current offerings rather than taking the opportunity to modernise their curricula. Modularisation is also on the horizon of thinking in universities, but the concept is very new for Albania, given the vertical structure of the current
diplomas. Unfortunately, there is a risk that the approach to modularisation will be to produce fragments of courses that are very small. Little thought is being given to how such modularisation could help to broaden the curricular choice for students, for example by facilitating credit transfers across faculties or institutions. In other words, the changes being developed are not within the spirit of modularisation, for example to simplify students taking options from a variety of courses and to facilitate credit transfers between institutions. The Bologna process hopes to help mobility between countries, but the most important credit transfers in Albania may be between the universities in Tirana, as this could significantly enrich the student experience. **The Master Plan should explain what is expected in terms of modernisation and modularisation of the curriculum for the Bologna process.**

**Quality**

39. The quality of teaching depends on the quality of the academic staff doing the teaching, but also, and almost as important, on the way in which they do their teaching. Neither aspect of quality can be measured only by qualifications, each also needs qualitative judgements - which is the main function of a quality assurance process.

40. The quality of academic staff within universities is often (mistakenly) judged by their qualifications, in particular, whether they have a PhD or not – whereas their quality ought to be judged by their competence in doing their job. For staff whose primary role is to teach – in whichever university, whether or not they hold a PhD is neither a sufficient, nor even a necessary condition for them to be able to teach. Nevertheless, a PhD is still often used inappropriately as a measure of staff quality; this is unfortunate both ways round: there are those with a PhD but who are not good at teaching and there are those who are excellent at teaching, but do not have a PhD.

41. We found concern about the general level of quality of academic staff, although it was often expressed as insufficient numbers of PhDs and/or that the quality of the PhDs were not up to international standards (and so not recognised abroad). We are not able to judge the merits or otherwise of this concern, but having a PhD is usually only relevant for undertaking research, and so is relevant only for those parts of the three universities in Tirana that are actively engaged in research. As proposed above, the regional universities should focus on teaching, so whether their academics have PhDs or not should not be an important concern for them.

42. But for good teaching, it is important that staff undertake ‘scholarship’ activities to keep them up to date with new developments in the fields in which they teach; this requires reading the literature, attending seminars and workshops – in the ‘real’ world as well as academic ones, and occasionally writing about their own experiences. Such scholarship activities provide essential support for good teaching; in contrast, conducting research that is then published internationally is not an essential requirement for good teaching - as is shown, for example, by the
Grandes Écoles of France or liberal arts colleges and other teaching universities in the US. The Master Plan should make clear that the terms of employment for academic staff should be that all are expected to undertake scholarship activities to inform their teaching, but that few should expect to undertake research. The Bologna declaration is a risk here as it could be interpreted that all staff should undertake research – which would be quite inappropriate for Albania. It is important to recognize that the ‘drift’ towards academic research is a real issue everywhere in the world; some richer countries can afford to drift into producing and recruiting PhDs for teaching tasks, developing countries cannot.

43. It was noted above that the need for teaching to develop new skills in students such as analytical thinking and creative problem solving will require a new approach in teaching style. This will be an important aspect of quality in the future – although it is not fully recognised. The attitude change this needs will take some time and will require some extensive re-training of current academic staff; further, such a major change is unlikely to happen at all unless there are fairly powerful incentives for change. This might be done with an internal performance based management, including changes to promotion criteria for academics and a requirement to get student feedback on teaching performance, together with requirements set by the external accreditation process (see below). This would also require changes in the internal management approach inside universities (see section 7).

44. Both in performance based management and in the external accreditation process, it will be important to reflect the different qualities that make an excellent teacher from those that make an excellent researcher. At present, there is no process to assess staff performance, and the criteria for promotion are too uniform and seem to be a combination of time serving and research activity. The Master Plan should examine how some form of performance based management can be introduced into universities – and in a way that recognises the differences needed to assess performance for teaching from those needed for research. An important aspect of the process will be to identify the training and development needs of staff; these will require a flexible use if budgets if such training is to be provided – a flexibility not currently available.

45. About five years ago, the MoES established an ‘Accreditation Agency’ with the role to assess the quality of teaching in universities. It formally reports to an Accreditation Council and then on to the MoES; it also sends its reports to the university concerned and, later, publishes them. It assesses programmes rather than institutions and has developed a process that combines internal self-evaluation with an external check by a group of peers chosen for each visit, currently all drawn from within Albania; the agency would like to make use of foreign peers, but there are logistical and financial constraints. Not all universities welcome the process, but there seems to be a general acceptance of it. The process is not yet compulsory, but this is the intention as soon as there is a legislative opportunity to make it so.
46. So far, the Agency has used its powers to give some ‘conditional’ accreditations that require action to be taken by the university. It has not yet refused an accreditation. There is no current link between the results of an accreditation and the subsequent funding of the programme; indeed the current funding arrangements would make this almost impossible to do, but the changes discussed in section 7 would enable such a link to be made.

47. As the role of the Agency is to assess teaching quality – and so to improve it, this should include promoting the development of the new approach needed for teaching discussed above. This means that the external peers will be critical in that those chosen will need to be familiar with the new approach and to support it. The Master Plan should elaborate how the Agency will be expected to promote the development of teaching style and quality and should make it clear that the accreditation process will soon become compulsory for all universities and that future funding arrangements will take the results of the process into account.

3. **Teacher training**

48. There are two main components of training school teachers: pre-service training and in-service. **Pre-service training** is currently carried out almost entirely by universities. It is the dominant activity of the regional universities with most faculties specializing in teacher training of specific subjects; many of the programmes in the Tirana universities also focus on teacher training. It is one of the most important functions of the higher education system in Albania. But, despite its importance and the amount of effort devoted to it, it does not seem to be done particularly well at present. At this stage in Albania’s development, teacher training is one of the most important issues for higher education since it affects the quality of the whole education system.

49. As with much of the rest of higher education, the style of teacher training is old fashioned and not very interactive: it tends to push facts and not encourage creative analytical thinking or problem solving. This style of teaching is thus perpetuated in schools once the students graduate.

50. A second concern about teacher training is also similar to the rest of higher education: the subject content is provided in narrow specialisms; this limits the flexibility in using teachers in the class room. For example, a diploma in Tirana University is for a “Teacher of Physics” which is unduly narrow for a teacher at most levels in schools – the same person would almost certainly also be able to teach other sciences and maths, at least at junior levels. Yet almost all the teacher training courses in the regional universities have similar specialisms – even for the training of elementary school teachers.

51. Teaching diplomas are designed as being in a particular subject, with the pedagogical classes taken in parallel with the subject ones - and often provided by
staff within the subject faculty (who may not be specialists in pedagogy). Some students attending these courses do not want to be teachers at all, but this was the only degree course they could get into and they simply want to get a degree. Such students often find the pedagogical classes a waste of time that they could spend on a subject of more interest to them (for example economics). The rigid structure of the diplomas does not allow this level of flexibility.

52. The most obvious way to overcome this issue would be for the pedagogical components of teacher training to be taught by a separate Faculty of Education in a series of modules that could be taken by those who wished to become teachers, but not by those who did not wish to become teachers. This has been discussed at various times in Albania. The current suggestion in Tirana University is to have a 3+1/2 arrangement, in which the 1/2 would be for additional pedagogical courses for those who wished to be lower/upper secondary teachers. Such an arrangement would also allow the development of real subject based faculties in regional universities (not just teacher training ones), which could then play broader regional development roles – not just for teacher training. On previous occasions, such proposals have met resistance within universities because of the restructuring implications; there is also a fear that insufficient numbers of students would choose the pedagogical modules.

53. A third issue on pre-service training concerns that limited contact that the universities have with schools – which limits the effectiveness of teaching practice (often the most valuable part of teacher training). We understand that, in part, this is due to reluctance on behalf of some senior university staff to go to the schools themselves. The position appears to have worsened in recent years as schools no longer receive funding or any status by agreeing to accept trainee students.

54. Finally on pre-service training, there is no standard curriculum for the content of teacher training and no national standards. In part this is a reaction against any form of ‘central control’ and the desire for ‘academic freedom’ at all costs. However, the cost of this particular academic freedom is simply too high: Albania is a small nation that needs a degree of consistency about what pupils are taught in its schools. Further, the government is the main purchaser of the services of teachers and so it is reasonable for it to specify the content of teacher qualifications. Maybe some form of licensing might be appropriate, perhaps by means of accrediting teacher training providers in some way.

55. In summary, the Master Plan should develop proposals about the improvements for pre-service training covering: the style of teaching; the structure of provision within universities; the arrangements for links with schools; the form of a national curriculum for teacher training; and possibilities for licensing arrangements for teachers.

56. Turning now to the in-service component of training for teachers, the first point to note is that, unless pre-service training is improved along the lines discussed
above, the need for in-service training will keep growing and the provision will never catch up with the need. In-service training is the responsibility of the regional Education Departments who mostly arrange for their own inspectors/supervisors to conduct it (though they do not all have training for how to do it). Universities play very little role in the in-service training of teachers. We were not able to establish the reasons for this, but it may have something to do with universities’ perceived status and/or their funding. Not to involve universities in in-service training of school teachers is clearly a major missed opportunity; the Master Plan should set out the arrangements for how universities should become an important supplier of in-service training provision as soon as possible.

57. In addition, various NGOs, often donor funded, provide in-service teacher training in an uncoordinated way, with each NGO making provision as it thinks fit and with little reference to what is taking place elsewhere. The Master Plan should include a strategy to coordinate the provision of in-service training covering the regional education departments, the NGOs and any other main providers – including the universities.

58. At the moment, the Education Centre for Training and Qualifications is focussing on providing in-service training to the large and very visible backlog of school teachers who are seen to have insufficient, or no, teaching qualifications. This is an illustration of a problem being measured by teachers’ qualifications rather than by their competence to do the job: not all unqualified teachers teach badly – and not all qualified teachers teach well.

59. This simplistic approach is used because there is no appraisal system that can identify a teacher’s need for training; nor is there any incentive for teachers to improve their own performance through training. Therefore a very simple (and centralised) approach is to arrange training based on teachers’ qualifications and/or their time served. Although this is not strictly a topic for higher education, it would seem wise for the MoES to invest in the development of an effective appraisal system for school teachers as a way to focus in-service training; for example this might be introduced as part of a deal in exchange for increasing teachers’ pay.

4. Transition from school to university

60. There is a rather mixed history for the arrangements for transition from school to university over the past five years or so. The arrangements have comprised various different combinations of the results of the secondary school leaving exam (the Matura – set by the National Evaluation and Assessment Centre: NEAC), universities’ own entrance exams, and grades from secondary school (weighted and from several years). Each of these three components has had its own weaknesses and there have been only limited rationales for the balances that have been made between them.
61. A number of lessons have been learned from this experience. One is that there needs to be considerably more public confidence in the validity and honesty of the Matura exam. Previously the exam was set centrally, but administered and marked locally – by the schools at which the exam was being taken. It has been well established that this resulted in some schools not observing the rules about the time given to take the exam and that some of the marking was very skew. From this year (2006), the administration and the marking of the Matura will be arranged centrally by NEAC; there are still logistical problems to be resolved, but the new arrangements should significantly reduce the previous abuses and so, it is hoped, build confidence in the exam.

62. Another lesson learnt from the recent past in Albania (and in other countries too) is that it is unsatisfactory for each university to set its own entrance exams for each subject – and for two reasons. First, such an approach reinforces the subject based rigidities in the university system; second, it means that students have to take separate exams for each university to which they wish to apply - which results in quite a burden on them. This component has already been dropped in the new design.

63. The final lesson is that school grades need to be viewed with some caution as there is no objective way of ‘normalising’ them between schools – again this issue is not limited to Albania. Nevertheless, until the new Matura arrangements have proved themselves and are viewed with confidence by the public and the universities, the intention is to retain a 30% contribution to university entrance scores from school grades (taken over the last four years of schooling, with most weight on the fourth year). There are also different weights attached to different school types – which are another source of unease and contention.

64. There are currently working groups on three aspects of this topic: the subject content of the (new) Matura exam; the procedures for the exam itself; the mechanisms for university entrance. There are several points these groups might consider, again drawn from the experiences of other countries.

65. For the content of the Matura exam, the current intention is to have a small core of subjects (perhaps 3) compulsory for all students, together with a range of other optional subjects. For the Matura to be a good school leaving exam, the range of options should cover all the main subjects studied at (various types of) secondary school. For it to be a good exam for university entrance, there would be benefit if each subject option had two levels of exam, a standard level for most pupils and a higher level for pupils who wish to specialise in that subject; the higher levels should also be available for each of the core subjects. The International Baccalaureate is an illustration of this approach. The Master Plan should set out a development plan for how the Matura exam will be structured in terms of its core and the number and levels for the subject options.
66. The exam questions themselves should reflect and reinforce the type of learning discussed above as being needed for the 21st century: the development of skills and competences, such as thinking and problem solving, and not just the replay of learned facts. This will require sophistication in setting of the exam questions.

67. As noted above, the use of school grades has the problems of ‘normalisation’ between schools, risks of abuse and contentious weights between types of school. But while the Matura is developing, there is advantage in making some use of school grades in the university entrance process – albeit with care. Once the validity of the Matura is accepted, school grades can continue to be available to universities if they wished to use them in their decisions about accepting students, with the weight attached to them determined by each university itself. The Master Plan should make clear that the use of school grades in the national system of university entrance is only temporary and will be phased out as the Matura exam settles down and gains public acceptance – in 2 or 3 years, although individual universities would still be able to make use of them if they wished.

68. For the university entrance purposes, the subject knowledge of students applying is important for the university to make well informed decisions, so the Matura results should be available to universities on a subject by subject basis. Different faculties in different universities will attach varying importance to performance in the different subjects – a science faculty will attach more importance to a pupil’s Matura results in Physics than would a humanities faculty. This means that there can not be one single national ranking score for all students – even though there would only be one Matura. For the entrance process itself, the scores could simply be given by subject and each university (and faculty) could then do its own sums; alternatively, a central computer could do the sums on behalf of each university/faculty, using the university’s own specifications, and could even make a provisional allocation of students for the university to consider. Several European countries operate with such a system. The Master Plan should explain how the university entrance process will be developed as the Matura itself develops.

69. Finally, at present, intending students have only limited information on which to base their choices about what and where they would like to study. In particular, at the moment, students are choosing not to apply for the science, maths or engineering subjects as they believe that the future labour market will not require these qualifications. This is an unfortunate consequence of the general perception that a university diploma is very focussed and designed for a specific job – a point made above in section 2.

70. In one sense, the students are right because the diploma programmes are indeed narrow. The proposals above to broaden programmes and to encourage more cross-disciplinary provision should then mean that the students would no longer be right. But even then, intending students should still have better information and also guidance to help them decide what they would like to study and where. The
Master Plan should examine the idea of developing some form of careers information and guidance service at secondary schools to help school leavers with their choices.

5. Scholarship, research and services for development

71. To support good teaching, it is essential for academic staff to undertake scholarship work that keeps them up to date with developments in their subject and with the pedagogy associated with it. It is important to distinguish this from research, whose primary purpose is to create and disseminate new knowledge; this is a very different activity that only some academics should undertake, and is not essential to link it to teaching. It will be important not to misinterpret the Bologna declaration and think that all academic staff should be undertaking research (rather than scholarship) - the example of the French Grandes Écoles has already been given.

72. Such scholarship work requires reading appropriate journals, attending seminars, workshops and occasional conferences. Given the size of the country, it will be important that Albanian academics will be able to travel abroad for such events – as long as they genuinely contribute to the development of their teaching. At present, this is difficult, partly because of the difficulties in obtaining visas and partly because the way that finance is arranged means there is no flexibility in the use of resources for such purposes – see section 7.

73. As far as research is concerned, the three universities in Tirana each do some, but most of the research is currently done in the various Research Institutes (RI), of which about 35 out of the 57 belong to the Academy of Sciences (the others belong to various line Ministries). A major part of the first draft of the Master Plan comprises a proposal to merge many of the Research Institutes with the universities. The Institutes that are primarily concerned with development work are proposed to be merged with various regional universities, while those undertaking more academic research are proposed to be merged with one of the three universities in Tirana. The remainder may be privatised.

74. The intention of the proposed mergers is that each side will be able to benefit from the resources of the other (human and physical). Thus at the regional level, the merging Institutes should help the university in its role to provide assistance for the development of the regional economy – see below. In the Tirana universities, the RI staff will be able to contribute to teaching, especially for post-graduates to help with the supply of new PhDs; both the RI staff and their facilities will also be able to help the university staff with their scholarship and research work.

75. The proposed mergers provide a good opportunity to rationalise research activities and to focus the necessarily limited resources on the real and practical needs of the country – it is not clear, for example, why Albania needs a capacity of 70
research staff in nuclear physics. It would be a missed opportunity simply to make the mergers, but leave the RIs roughly as they are now. The Master Plan should explain the need for a research strategy for the country, in which research efforts would be rationalised and focused on those topics of direct and particular concern to Albania; it should also explain how such a strategy will be developed.

76. A vital role that regional universities often play, and not only in developing countries, is to assist with the development of the local communities and their local economies, for example through the provision of locally relevant services, vocational training and short courses; the merged RIs should help the regional universities do this. At present, the links between universities and their local communities have been rather weak and few universities have much contact with local businesses or employers – insofar as there are any.

77. Both for the research universities in Tirana as well as for the regional universities, it is critically important for them to have much greater contact with the real world, for example through contracted activities. The research universities in Tirana could undertake applied research contracts to help them develop their research capabilities that would be relevant to national development. Regional universities could undertake contracts for providing key services needed by their region.

78. Unfortunately in Albania, neither the private sector nor government or its agencies tend to engage with universities on an institution basis; they prefer to make arrangements directly with individual academics. This point has two sides. From the perspective of the private sector, it is much more administrative hassle to deal with the university than it is to work directly with individual academics – and personal contacts are important. For university academics, it is also administratively easier – and more profitable for them, to deal directly with employers, and there are no current restrictions on them doing so. The unfortunate consequence of individual contracts is that the benefit of the experience is limited to the individual, and does not build any capacity in the university.

79. The above points apply equally to government and its agencies - and to foreign donors too. As a result, they all adopt the approach of making contracts directly with individual academics without going through the university. In an environment where even government bodies are reluctant to deal with universities, it is not surprising that businesses are also reluctant to do so. In most countries, developing working relationships with industry requires real effort and capacity building on the part of universities. And yet, without healthy relationships with industry, academia risks developing in isolation from the key productive sector of the economy.

80. There are currently administrative and financial requirements for universities that make it difficult for any outside organisation to deal with a university as an entity; these should be changed to make the process an easier and more attractive
propagation – from both sides; these are discussed in the next section. But the fact that government and foreign donor bodies also tend to deal directly with individual academics, rather than going through their university, sets a most unfortunate example for the private sector. Once the administrative and financial arrangements for universities have been simplified (as in section 7), the government and foreign donor bodies should then change and set a good example to Albanian industry by going through the university and not direct to individual academics. The Master Plan should explain that the simplification of administrative and financial arrangements for organisations to deal with universities will be made at the same time as the mergers with the RIs so that they are in place from the start.

81. The developments outlined above would imply a cultural change in the way teaching staff see their profession. Today, most of them would see their primary task as teaching undergraduates – and many academics view all their non-teaching time as ‘spare time’ that can use freely to undertake work outside to earn extra income. While some of this is likely to remain an economic necessity for a time at least, in future, academics should also embrace the tasks of scholarship, research and service – as normal additions to their duties in teaching. This ‘cultural change’ is likely to be a bigger change than those required by the ‘structural changes’ of the mergers. Staff would need to be able to ‘afford’ to do more internal work and to have salaries that are adequate to support their costs of living. In research universities, mergers with well-established Research Institutes could well mean that the researchers in the RIs will also need a culture change for their new responsibilities in teaching. The regional universities will need to be able to experiment with new partners and develop locally related services and activities – especially if there is a degree of reluctance by local parties to engage with universities.

82. The Master Plan should examine whether some form of initial funds might be available to encourage universities to develop their new roles: (a) in conducting research in the Tirana universities; and (b) in providing local services. Such ‘pump-priming’ funds might be made available at the same time as the merger of the RIs to help them and their new university home work together; such funds might be provided on the basis of agreed plans for the development of services by the new merged institution.

6. Income generation

83. The government has a clear policy that universities should “move towards” self financing – though not completely. To implement this policy will require quite major changes in the financial arrangements under which the universities currently operate.
84. Outside the State Budget, the main current source of income for universities comes from the fees paid by students. There are three main types:

- the sums raised from fees paid by ‘normal’ students for their diploma courses;
- the sums raised from the fees paid by part time student students for courses often provided out of hours (as reported by the universities – which may not be very accurate - this amount is similar to the first);
- an amount (about half the above) raised from the fees paid by so-called ‘secondary’ students (see below).

The ratios between these three sources of income (2:2:1) are the national ones and they vary dramatically between universities – and between faculties.

85. All the fee levels are set by the Council of Ministers. For ‘normal’ students, the fees are about 12,000 leks p.a. and are the same for all universities and all faculties. For part time and ‘secondary’ students, the level of fees varies dramatically between courses from almost zero up to figures of 75,000 leks p.a. – and even exceptionally up to 300,000 leks p.a.; this is all highly in equitable.

86. For ‘normal’ students, there are scholarships for the most gifted and financial support for students from poor families. The support arrangements are thought to be not well targeted on the poor, mainly because there is no reliable source of information about the financial status of families – not least because of the extent of the informal economy. The funds involved in such support are quite large, so the Master Plan might examine ways to improve the targeting of support funds for students from poor families. If there is no prospect of getting better financial information from families, it might be worth exploring whether some form of loan system could work in the culture of Albania - without a negative impact on student participation.

87. The position of ‘secondary’ students is unfortunate. These are students who failed to secure entry to their preferred diploma course by means of the exam(s), but are prepared to pay the ‘full cost’ fees privately and so gain entry without having to satisfy the usual academic entrance requirements. The numbers of such students are limited, by Law, to 10% of the total students; some faculties reach this 10%, other faculties have no such students.

88. Similar arrangements for ‘secondary’ students have been developed in a few other countries, but there have always been negative consequences. The approach is very inequitable within a public system of higher education: students from rich families secure entry to university ahead of brighter students from poorer families. Also, over time, there are countries in which a two tier treatment of students has resulted, with the students paying full fees expecting ‘better’ treatment in their teaching – and yet the other students are the top end of the nation’s talent. Thus the system of ‘secondary’ students is not in the national interest, either from an academic or a social point of view. Further, we understand that the arrangements are not generally popular in Albania – except perhaps with those who most directly benefit from them.
89. An academically and socially better approach would be to increase the number of ‘normal’ student places to match those currently occupied by ‘secondary’ students and then to raise the ‘normal’ fees by an amount that would result in the same total income to the sector. This would probably require a fee increase of around 10% (around 1,000 leks p.a.); it would be better if this increase were also combined with a better targeted support for students from poor families. We have heard of a proposal to “liberalise the quotas for the participation of students in the cost of study”; it is not clear what is meant by this, but the Master Plan should make clear that the system of ‘secondary’ students will be stopped and replaced with an approach that is fairer, while also being more academically reasonable than the current arrangements.

90. The combined fee income produces a total that is about half that provided by the State budget. This figure is misleading as most of the State budget is committed to pay salaries (but see section 7 below), and, after the salary commitments are excluded, the combined fee income total is about five times that available from the State budget. The fee income is therefore highly significant in the operations of the universities.

91. The other main source of (non-State) income for universities is from the services that they provide. Such income is very small by comparison with the income from fees – for reasons given in section 6. Not only do academics have no incentive to channel their work through the university, there is also a limit on the amount of additional pay they can receive for such work – currently an additional 45%, but about to increase to 70%. All the current signals to academics are that it is better for them to work privately – which they then do.

92. Further, there is no restriction on the amount of work that academics can do on a private basis: as long as they teach their classes, they can do what they like. As there is no check on teaching quality, this position can be abused – and we received comments from students that it is abused and that there was a lack of commitment to teaching from some staff who had private work. Of course, this varies considerably between faculties; in other countries, such private work is often concentrated in the more ‘professionally’ focussed faculties such as business studies, law and particularly medicine where the doctors have their private clinics. We did not examine this point in Albania, but to limit the risk of abuse, we suggest that the Master Plan should propose ways in which the universities might minimise the risk of abuse from the undertaking of private work by academic staff, for example by offering a sample policy for the terms of service of academic staff.

93. However, attempting to limit the amount of private work by individual academics is far too negative (and could potentially isolate universities further from the real world) unless it is accompanied by ways actively to encourage income generating work through the university. This will require changes in the ways in which such income is handled, see below, but it will also require a change in culture of the university as a corporate institution. The universities themselves may also need
encouragement to develop a more entrepreneurial approach. Section 5 has already proposed that there may be advantage in providing the regional universities with some pump-priming funds to help them to develop services – jointly with their new RI partners.

94. Perhaps the biggest obstacle to increasing such university income is the way in which such income is treated once it is earned. All income earned by any public university is treated as it was part of the consolidated government budget. In effect, it all goes back to the Ministry of Finance (MoF) and is then distributed back to the universities, after a tax of 10%, according to a set of detailed and complex rules set by the MoF. There is a macro problem and a micro one.

95. At the macro level, national planning requires each university to set targets for the income that it expects to earn from all sources (though fees provide by far the largest amount). These are aggregated for the system as a whole and, putting it simply, the level of the State budget for higher education is reduced by more or less this amount. The resulting figures are then broken down for each university individually (and each faculty, see below) and if any university exceeds its estimated earnings, all the additional revenue goes back to the MoF. At a macro level, the financial arrangements thus provide no incentive at all for a university to increase its earned income.

96. The micro problem concerns the rules used to distribute the (90% of) earned income that is distributed back to the universities. Because it is viewed as State funds, the rules for its distribution are similar to those for State funds, with each source of income having its own set of rules about how it is divided between the main budget headings (ie. salaries, operating costs, investment – and a few other very small ones). The bulk of the earned income is allocated by this process to the investment heading – and the resulting State budget under this heading is thus virtually zero.

97. Within these allocated headings, the university is then required to allocate all its funds (earned and State) by line item - see section 7 for more detail. There is thus no flexibility about how earned income can be used, for example, there is no end year carry over so the university cannot make any savings. Nor can the income be used to pay for trips for academics to take part in seminars abroad; this limits the extent to which relationships can be made with foreign universities, and so also limits reciprocal visits to Albania. (Such relationships could help the Albanian universities with regional development – as long as the links were made with foreign universities that had such expertise.)

98. The MoF recognises that these are serious problems for the universities – as is the treatment of the State income described in section 8. But before the greater flexibility is given, the MoF, not unreasonably, requires to be convinced that the management inside universities is sufficiently capable of handling that greater flexibility. At present, this is clearly not the case and section 7 suggests what needs to be done for this condition to be satisfied. Meanwhile, the Master Plan
should set out a development path for the improvement of university management so that earned income can then be treated by the universities as if it were really their own income (see also sections 7-8).

7. **Governance, management and autonomy of universities**

99. One of the main purposes of the reforms introduced by the 1999 Higher Education Law (8461) was to bring greater autonomy to the governance of universities. While this Law was clearly a step in that direction, it appears not to have been well thought through and so has not been entirely adequate for its purpose. There are two main issues, discussed in this section. The first concerns the weaknesses in the Law on matters of governance and management; the second concerns the next steps that might be taken to increase the level of autonomy – as long as the existing weaknesses in governance and management are corrected.

**Governance and management**

100. An important issue with the current Law is that its drafting does not sufficiently recognise that an increase in university autonomy needs to be balanced both by increased accountability to the main stakeholders and by having clearer responsibilities for decisions which the management processes require. The Law is sometimes unclear, or even silent, on such points. For example it is unclear about the relative power of University-wide policy making compared with the powers of the constituent Faculties (eg the need for a university-wide rather than a faculty decision on the 3+2 or 4+1 issue raised by Bologna). The Law is similarly unclear about the relative roles of the Rector (and the Rectorate) compared with the Senate. The Law also sets some requirements that are counter to good management, for example that senior academic management posts should be filled purely on the basis of an election process.

101. The concept of management is relatively new for universities (in some EU countries too, not only in Albania) and is sometimes treated with suspicion if not disdain. A Law which is unbalanced can encourage some academics to think that greater autonomy can be operated without any management change. It can not. Without good management, the pursuit of autonomy can border on anarchy - or power simply going to he who shouts loudest; there is some evidence that this is happening. Further, because the Law was so one sided, attempts to inject a more management based approach to decision making is now interpreted as being contrary to autonomy and so against the spirit of the Law.

102. Perhaps as a result of these problems, the reforms of the Law appear to be fairly shallow rooted in terms of any change in attitudes, and there seems to be only a limited understanding of what a move to any greater autonomy would actually require. Later in this section, we discuss the need for further autonomy, but we share the reservations of those (eg in MoF) who look for prior evidence of
the attitudinal changes that would be needed to ensure that autonomy will be used in a responsible manner. There are three areas of concern about whether greater autonomy would be used responsibly, one is an external issue and two are internal ones; these are discussed below.

103. The external issue is the need for more autonomous universities to have a means by which they are held accountable to their stakeholder communities. There seems to have been a tendency for the universities in Albania to be fairly ‘closed’ to the external community: section 5 has already mentioned how important it will be for closer links to be made with local communities and businesses. The global trend is for such accountability to be provided through some form of ‘Board’ to which the university is accountable.

104. The forms and powers of such Boards vary between countries, ranging from being a purely ‘Advisory Board’ to a full ‘Governing Board’ or ‘Board of Trustees’. In its fully developed form, such a Board is often the body through which the university reports its achievements to its stakeholders, including its financial results. Such a Board would contribute an external view to the discussions about the university plans and budgets and would normally provide the final approval for the plans and budgets.

105. Some countries find it easier to introduce the concept of a Board as an Advisory Board and develop it over time towards a Governing Board; such a phased approach might be appropriate for Albania too. A country’s position on this range often indicates the point in its development over time, with the international trend being to move from the former towards the latter. The concept is not yet fully developed across all the EU countries, not least because neither is the concept of university autonomy!

106. One of the most important roles for a Board is to contribute to the decision about the selection of a new Rector. It is essential that the post of Rector should be filled by someone who has the right skills for the job. If the universities are to become more autonomous, this task is then primarily a managerial one (as noted above, not all EU universities yet have this level of autonomy). But in any university that has a reasonable level of autonomy, the selection process for Rector should start with a ‘job description’ for the post and then measure potential candidates against it. Even an Advisory Board can play a valuable role in the process (and a controlling role if it is a Governing Board).

107. Of course, a Rector needs to be acceptable to the university community too, but it is simple to design a selection process that includes a check on the acceptability of potential candidates. It is a question of balance: it is vital for the Rector to be someone who is acceptable to the university community and there has to be a way to assess that – though not necessarily by simply counting votes; academic involvement in a search committee may be just as effective. Equally, it is vital for the Rector to be someone who satisfies the job description by having the right skills and aptitude for managing an autonomous university – a simple
popularity vote cannot assess this. Exactly how this balance is to be struck should be a decision for each university (under autonomy); but the broad balance, not at either extreme, might be usefully set in a revised Law.

108. The final question about an external Board is how its members should be selected – typically perhaps about 20 people. The criteria for membership of Boards should be as objective as possible and, once a Board is fully established and operating, it should be able to renew itself by reference to these criteria through some form of selection process. The very first Board for each university (but only the first one) will need to be selected in a different way; to minimise the perceived risk of politics playing too large a role in the selection, this initial selection could be a combination of names from three sources: the community of the university, the Council of Rectors and the President.

109. The Master Plan should set out a (perhaps phased) timetable for the introduction of external Boards for universities, outlining their initial and subsequent powers and responsibilities (including their involvement in the selection of the Rector), the criteria for their members and their method of selection.

110. The first of the two internal concerns about the responsible use of further autonomy is an extension of the point already made about the selection of Rectors. As for Rectors, the Law currently sets a selection process for other senior academic posts that also consists only of an election – despite the fact that, in an autonomous university, these posts are mainly managerial - in particular Deans and Heads of Department. In Albania at the time (1999), the concept of ‘voting’ was thought to be able to be applicable to any selection process, but as noted above for Rectors, for managerial posts, such a process is not right by itself. Any further move to autonomy (see below) should be accompanied by changes to the selection processes to ensure that individuals selected for posts with management responsibilities have the right skills for the job (and not even just the right qualifications).

111. In general, the selection process for Deans and Heads of Department should be similar to that for Rectors, with clear job descriptions for the two types of post, and an objective search process that involved seeking the views of the Faculty/Department as well as an assessment of the relative skills of candidates for the job as described. The final decision might be made by the Rector for the Deans and by the Deans for their Heads of Department. This would also require a revision to the Law. (The process for the selection of a head of a research group is not a good model for the posts of Dean and Head of Department as they are more managerial posts whereas the head of a research group is more an academic leader.) The Master Plan should set out a (perhaps phased) timetable for the introduction of a new selection process for senior management posts that would combine an assessment of an individual’s capability to do the job with the views about possible candidates from the relevant group(s) of staff.
112. The second internal point about more autonomy concerns the management processes needed in an autonomous university. There are two critical ones: the process for strategic and operational planning and budgeting, by which Faculty and central plans and budgets are discussed and agreed, and the process for financial control. There is no reference to management processes in the 1999 Law and so little attention has been paid to developing them – which is one reason for the reservations about the readiness of universities for any further autonomy.

113. The lack of a rigorous planning and budgeting process is shown by the fact that, even under the current rather rigid method by which public resources are allocated to universities, little use has been made of the (limited) flexibility to move resources between the faculties and between faculties and the ‘centre’. The tendency has been to think that the way in which funds are received from government should be followed in sub-allocations inside the university, especially the ‘earned funds’ that are being returned to the university.

114. Such caution stems in part from a lack of confidence and experience in strategic planning and budgeting by the management of the university, but more seriously it also stems from a lack of clear powers at the centre. The responsibility for such matters should rest with a form of ‘management board’, normally comprising the senior management of the university; in the Law, the responsibility is given to the Senate, which is an elected body with academic expertise but no particular expertise in strategic planning, management or finance. This is inappropriate.

115. In addition, even the most senior academic managers, no matter how selected, are likely still to be amateurs in at least some of the professional matters for which they are responsible, and particularly for finance. Universities currently have a Chancellor and a Head of Finance to provide some professional support; but at least on financial matters this does not yet seem adequate – either in terms of quantity or, more important, in terms of level of expertise. It is not unusual in developed countries for the Director of Finance to be the second highest paid person in the university after the Rector. In Albania, we understand that the Head of Finance can typically expect to be paid less than the most junior academic. Before universities are given any further autonomy, it will be essential to recognise the importance of such professional support and for the posts to be at levels that will attract appropriately highly skilled staff.

116. The Master Plan should explain the importance of having good management processes within universities and what the main ones should comprise; it might also set out proposals for how such processes could be developed and should be supported by professional staff, together with a (perhaps phased) timetable for their introduction.

Increasing autonomy
117. The first part of this section has been concerned with ways to improve the governance and management of universities, even with their current level of autonomy. These points should be pre-conditions for any increase in autonomy: some form of advisory or governing Board; changes to the selection process (and job descriptions) for all senior academic managers, including Rectors; rigorous and appropriate processes for planning, budgeting and financial control; adequate professional support, especially on finance.

118. It is to be hoped that these conditions can be met, as the government seems keen for universities to have more autonomy – and there would be undoubted benefit in them having it, especially on matters of staffing and finance.

119. On staffing, the current position is that the numbers and grades of all staff have to be agreed by the MoES. Under the present system, the salary budget is ‘open-ended’ in that it is simply supplied to meet the costs of pay whatever they are. In these circumstances, it is clearly necessary to have some central control on staff numbers and even on grade distribution (but see below on finance). In fact, staff numbers are not actually controlled as universities can employ part-time and/or temporary staff from another budget. This gets around the restrictions on staff numbers, but it is not a satisfactory solution – particularly for those staff with no other jobs as they have no security and an inadequate income.

120. But even while staff numbers are used to control the staffing budget, the current level of detailed control is not necessary: a university should be able to move a post internally without reference to MoES as this would have no effect on the budget, for example moving posts between faculties while maintaining the grade level. The only reason for not allowing such moves would be that someone in MoES knows better than the university how posts should be distributed; this is clearly nonsense!

121. Universities would also benefit from more autonomy on staff promotions; we understand that the criteria for promotions are set nationally and tend to reflect time served and/or research productivity. As the regional universities are very different from those in Tirana, it does not seem wise to have a single national set of promotion criteria – they should be the responsibility of the individual universities so that they can reflect their own particular balance of activities and the roles of the staff. For most staff, the promotion criteria should be based on their teaching performance (rather than on research – given that research should not be a concern of most academic staff, see section 5).

122. The final point on staffing concerns the non-academic staff, for whom the current restrictions are similar to those for academic staff – or even stronger given the stories we heard about the time it takes just to recruit a secretary. Universities should have at least the same level of autonomy for non-academic staff as that proposed above for academic staff. More generally, autonomous universities should have considerably more control over their administrative staff, perhaps even determining their pay and levels and their conditions of service. It may take
some time before this can be done, but some relaxation is needed if universities are to be able to recruit the high level finance professionals that they will need.

123. In summary, the **Master Plan should set out the steps and a phased timetable for universities to have more autonomy on staffing matters – but make it clear that there need to be changes in governance and management within universities as the balance for more autonomy.**

124. **On funding and finance,** the current position is that the universities receive their State budgets in three main blocks: salaries, operating costs and investment. For each university, the amount of the staff block is determined directly by the agreed staffing numbers and grades; the funds go straight through to the staff.

125. A major increase in financial (and staffing) autonomy would be to stop controlling staffing numbers centrally and instead only control the total staffing budget centrally. This would be just as effective in controlling government expenditure, it would also significantly reduce government bureaucracy, and, most important, it would enable universities to make their own decisions on staff numbers and grades, academic and non-academic, as long as they kept within the ceiling of their salary budget block. Such staffing decisions would form part of the planning and budgeting process described above – the operation of which should be a requirement for such autonomy. The size of the salary block could then be determined for each university by a formula linked to weighted student numbers (as is the operating budget, although it would need to be a different formula). The rates of pay for each staff grade could continue to be set by government.

126. The distribution of the operating block between universities is currently determined by a formula, driven by student numbers weighted by subject and type of student; at first sight, this seems consistent with good practice elsewhere.

127. The third block, that for investment, is now composed only of income earned by the universities; it is allocated back to each university (after a central tax of 10%) roughly in proportion to the university’s earnings. These allocations are made with no reference to any project plans or priorities for university investment. In fact, much the same inadequate process is often used inside the universities too, as a result of which, low earning faculties have little scope for making any investment to improve their attraction or their performance. Worse, because these funds are allocated without reference to plans or priorities, there can be wastage on items that are not strictly necessary just to ensure that the budget is spent within the year (such as buying cars).

128. Universities are required to allocate their operating and investment blocks to a large number of line item sub-headings and then inform the Procurement Agency and the MoF of the results. For any expenditure during the year, the university has to check with the MoF that there are still funds left within the
budget for that line item and secure approval from the Procurement Agency to make the purchase (above a certain limit). Any change that the university wishes to make to a line item during the year has to be notified to both the Procurement Agency and to the MoF – though we understand that approval is rarely withheld. This whole process defeats much of the point of having funding in blocks at all.

129. These processes are time consuming and add little value; they also impose considerable constraints on the flexibility with which universities can use funds. We understand that the same rules and processes apply to most public sector bodies in Albania – under Law 8379.

130. The requirement for universities to allocate their block budgets to line items can only be as a means to control total university expenditure and to guard against the misuse of public funds; after all, it cannot be seriously maintained that either the Procurement Agency or the MoF know better than the university how it should spend its funds. In a more autonomous system, these control requirements would be met by each university having a good planning and budgeting process and a good system of financial control with effective management – in other words, the conditions for autonomy discussed in the first part of this section. There would also need to be a post-hoc audit. It will take some time before such effective systems can be in place and operational, not least because of the time it will take for the culture and the processes of the universities to adapt to these new ways of working.

131. Any proposal to increase financial autonomy should be thought of as a deal between the universities and the government: in exchange for operating with good management systems of planning, budgeting and financial control, universities would be allocated their funds in three blocks and then left to manage within the three budget ceilings. Such a reform requires very careful planning to ensure that the changes are made in the right order. Under Albanian Law, the universities may need to be made different legal entities for them to be treated in this way (which is not uncommon in other countries). We understand that the MoF is very willing to make such a deal, but, reasonably, they are only prepared to do so if there is clear evidence that the universities would deliver their side of the deal in terms of improving their management and financial control.

132. A final complication is caused by the academic year not matching the financial year; this problem is made worse because universities are not allowed to carry over unspent balances (or shortfalls) from one year to the next. Relaxing this end year carry over constraint should be included as part of the above ‘deal’.

133. The Master Plan should set out the steps to greater financial and procurement autonomy, together with the linked requirements for changes to governance and management, and the tasks that need to be undertaken and by whom.
Each of these reforms in autonomy (staffing and finance), is much more than simply drafting a new Law – although that will need to be part of the process. The reforms will need to be prepared as a plan, based on analysis and with a timetable. The new Law should not cover points of detail in this section, but it should be accompanied by guidance about what is expected in implementation in order to ensure that the greater autonomy is well and effectively used. The Master Plan should include an outline of the steps to be taken on the road to greater autonomy.

8. **The role of government**

There are three critical functions for government to perform with respect to higher education. The first is to ensure that the legal framework is right for the development and functioning of the system – public and private. The second is to supply some level of public funding. The third, which underpins the other two, is to have clear strategic aims for the sector and policies to achieve those aims.

As noted in various of the discussions above, the current Law of 1999 does not provide an adequate legal framework for the future. It would appear to have been drafted without sufficient understanding of autonomy and the need for increased accountability and better management to balance increases in autonomy. Even if there were to be no further changes in the autonomy of universities, the shortcomings in the current Law would still need to be changed and particularly if, as is currently intended, there are to be any further increases in university autonomy.

But before deciding on any revisions to the Law, there needs to be further analysis of many of the points in this report. Without such analysis, there will be a risk that a new Law may fall into failings of the existing Law. The work to develop a Master Plan should provide the framework for undertaking the analysis to produce the required changes to the Law.

In any system of higher education, both the amount of public funds and the way in which they are distributed to the universities have a profound effect on university behaviour. For example, providing the salary budget as a single block, with the amount determined by a formula based on student numbers, and with universities free to decide how to spend it, would produce behaviour in universities that would be very different compared with that from the current arrangements – in which funds are provided based on agreed numbers and grades of staff and directly channelled to the staff. For example, it would produce an incentive for universities to improve their internal efficiency by encouraging them to look for ways to use their staff more effectively. The same point about influencing behaviour applies to the way in which the block for operating costs is distributed.
139. The general point is that, especially in a more autonomous university system, the method by which public funds are channelled to universities can be one of the most powerful influences on university policy - but without government having any direct involvement in the operation of the universities. This means that the method for distributing funds should be driven by policy considerations, and not just be mechanistic. Policies should determine the signals that the funding should be sending to the universities. The funding methodology should then be designed to send those signals and in a way that encourages the intended response by universities. To develop such methodologies requires joint working between a policy unit and finance.

140. Whatever approach is used for operational funds (and for salary funds), it is likely to be based on student numbers and their distribution between broad subject areas. This is also a policy decision that needs to be made by government, set in the wider strategic framework of long term goals about student participation.

141. A rather different approach would be suitable for the allocation of the investment block. This currently comprises only funds that the universities themselves have earned, which we suggested earlier should not, on the whole, be viewed in the same way as other public funds but rather as belonging to the universities that earned them. The current basis of returning these funds in proportion to the earnings of the universities is part recognition that they are really the university’s own funds - but the restrictions on their use is a denial of it. If and when there are genuine public funds available for university investment, their allocation process should be based more on priority needs for investment – both between universities and within them.

142. As a critical part of the policy framework for the future (see below), the Master Plan should examine the methods by which public funds might be distributed to universities in a way that best encourages them to develop consistently with the policies of the Master Plan.

143. Underpinning each of these two government roles is its role to develop a strategy and policies for the future of higher education in Albania. Some governments have provided a legal framework and allocated public funds, but without a clear strategy and with policies only based on instinct rather than on analysis, data and evidence. In these cases, the result has been a system of higher education that meanders with no clear direction and without serving the best interests of the country.

144. It should be the main function of the Master Plan to develop a long term strategy for higher education and the policy framework that will lead to its successful implementation. Much of the analysis of this report is intended to contribute to policy thinking for the Master Plan. For ease of reference, the recommendations for the Master Plan are summarised in the Annex B to this report.
At present, we are not convinced that the MoES is well geared to undertake the work that is needed for each of its three roles. In the past, MoES has tended to be more of an administrative body than a strategic and policy focussed one. There is an intention to establish a new body, the National Council for Higher Education and Science, to provide Ministers with the analytical thinking and consultation needed for strategic policy development. As an intermediary body, the NCHES would itself be part of the machinery for influencing university behaviour, for example by taking responsibility for the QA process, for decisions on student numbers and for the funding methodology – though not necessarily for the actual funds.

We understand that there has also been some thought about also setting up a Research Agency. The rationale for this is not clear, and setting one up would risk giving the wrong signals to the academic community about the importance of research in Albania - given the limited amount of research that is appropriate – and can be afforded. A separate agency would also risk confusion with the NCHES unless there was very close liaison between the two. There would seem to be a good case for including policies for research within the remit of the NCHES. On the other hand, there may be a good case to establish some form of Agency to have overall responsibility for all aspects of teacher training (both pre-service and in-service).

There is also a question about the timing of setting up the NCHES. One of the outputs of the Master Plan should be a set of terms of reference for the role of the NCHES. However, if one of the intentions for the NCHES is that it should assist in the work for the Master Plan, then it would need to be set up before its terms of reference could be fully known. In that case, it should have only provisional terms of reference until the Master Plan itself is complete and agreed.

In conclusion, this is an exciting time for higher education in Albania. There are clearly many changes ahead. It will be vital that they and their implications are fully thought through – mistakes are an expense which the country cannot afford. The university community should be helped to recognise that the intended changes will bring Albania more into line with developments in higher education globally and enable the country to take its place at the table within Europe.

Sachi Hatakenaka
Quentin Thompson
March 2006
Annex A

Documents consulted during the study

Documents consulted included:

Education in Albania: Ministry of Education and Science 2003


Informacion Statistikor 2004/5

Various tables supplied by the Ministry of Education and Science and the Ministry of Finance

Albania: Poverty Assessment: World Bank 2003

Poverty and education in Albania: World Bank 2005
Summary of recommendations for Master Plan

The recommendations from the report are listed below by section, with their paragraph reference numbers.

After each recommendation, there is a key (A, B, C, D) which indicates how we suggest the recommendation might be handled in the Master Plan. (The recommendations are also listed under these four headings at the end of the Annex.)

The suggested types of handling are:

A. Policy statements that could be made in the Master Plan, without further analysis

B. Policy directions that could be set in the Master Plan, but needing further analysis that should be undertaken as soon as possible (within 6 months)

C. Policy directions that could be set in the Master Plan, but needing further analysis, for which a timetable should be set in the Plan

D. Issues requiring further analysis before a policy direction should be set, for which the Master Plan should set a timetable

1. Size and shape of the Higher Education system

10. The rate of expansion in the HE system in the Master Plan should not proceed without curricular (and other) reforms to modernize the content of teaching to meet the future labour market needs; it should also not be faster than the growth of suitably qualified potential students, nor a realistic increase in the numbers of suitable academic staff to teach them (including those returning from abroad). (B)

13. The work for the Master Plan should include an analysis of national economic development plans to identify any broad indications of future needs (cf the Irish experience with their Regional Technical Colleges). (C)

15. Analysis should be undertaken for the Master Plan to examine the potential role for sub-degree provision in Albania, its possible volume and how and where it might best be developed. (D)
18. The Master Plan should make clear that, at least for the time being, the model for the regional universities should generally be 3+0 as it is generally recognised that they simply do not have the capacity to make any postgraduate provision – with the possible exception of programmes in teacher training. (A)

19. The Master Plan should make it clear that any future expansion of public provision will be achieved by expanding existing institutions rather than building new ones. (A)

20. The Master Plan should set out clearly how quality is to be ensured for any new private provider of HE – and should make clear that there are to be no public funds to assist the providers. (B)

23. The options for policies about the relative roles of private and public provision should be examined as part of the work for the Master Plan. (D)

26. The work for the Master Plan should examine how these differentiated roles can best be defined and then encouraged in operational terms – for example with pump priming funding at the regional level. (D)

27. Further work for the Master Plan is needed to examine the relative need for part time provision and so develop polices for its balance and funding (and charges) by comparison with full time provision. (D)

2. Teaching: Relevance and Quality

36. The Master Plan should make clear proposals for how broader diplomas are to be developed, both in terms of their content but also through changes in the teaching style of academics to develop more ‘generic’ skills in the future. (B)

37. The Master Plan should recognize the need for a national norm for the Bologna model of degree provision. Universities may have an option to diverge from such a national norm – but only based on a sound analysis and an explicit, university level decision to do so. (A)

38. The Master Plan should explain what is expected in terms of modernisation and modularisation of the curriculum for the Bologna process. (C)

42. The Master Plan should make clear that the terms of employment for academic staff should be that all are expected to undertake scholarship activities to inform their teaching, but that few should expect to undertake research. (A)

44. The Master Plan should examine how some form of performance based management can be introduced into universities – and in a way that recognises the differences needed to assess performance for teaching from those needed for research. (C)
47. The Master Plan should elaborate how the Agency will be expected to promote the development of teaching style and quality and should make it clear that the accreditation process will soon become compulsory for all universities and that future funding arrangements will take the results of the process into account. (B)

3. Teacher training

55. The Master Plan should develop proposals about the improvements for pre-service training covering: the style of teaching; the structure of provision within universities; the arrangements for links with schools; the form of a national curriculum for teacher training; and possibilities for licensing arrangements for teachers. (B)

56. The Master Plan should set out the arrangements for how universities should become an important supplier of in-service training provision as soon as possible. (B)

57. The Master Plan should include a strategy to coordinate the provision of in-service training covering the regional education departments, the NGOs and any other main providers – including the universities. (B)

4. Transition from school to university

65. The Master Plan should set out a development plan for how the Matura exam will be structured in terms of its core and the number and levels for the subject options. (B)

67. The Master Plan should make clear that the use of school grades in the national system of university entrance is only temporary and will be phased out as the Matura exam settles down and gains public acceptance – in 2 or 3 years, although individual universities would still be able to make use of them if they wished. (A)

68. The Master Plan should explain how the university entrance process will be developed as the Matura itself develops. (B)

70. The Master Plan should examine the idea of developing some form of careers information and guidance service at secondary schools to help school leavers with their choices. (C)

5. Scholarship, research and services for development
75. The Master Plan should explain the need for a research strategy for the country, in which research efforts would be rationalised and focussed on those topics of direct and particular concern to Albania; it should also explain how such a strategy will be developed. (C)

80. The Master Plan should explain that the simplification of administrative and financial arrangements for organisations to deal with universities will be made at the same time as the mergers with the RIs so that they are in place from the start. (C)

82. The Master Plan should examine whether some form of initial funds might be available to encourage universities to develop their new roles: (a) in conducting research in the Tirana universities; and (b) in providing local services. (D)

6. Income generation

86. The Master Plan might examine ways to improve the targeting of support funds for students from poor families. (C)

89. The Master Plan should make clear that the system of ‘secondary’ students will be stopped and replaced with an approach that is fairer, while also being more academically reasonable than the current arrangements. (A)

92. The Master Plan should propose ways in which the universities might minimise the risk of abuse from the undertaking of private work by academic staff, for example by offering a sample policy for the terms of service of academic staff. (B)

98. The Master Plan should set out a development path for the improvement of university management so that earned income can then be treated by the universities as if it were really their own income (see also sections 7-8). (C)

7. Governance, management and autonomous universities

109. The Master Plan should set out a (perhaps phased) timetable for the introduction of external Boards for universities, outlining their initial and subsequent powers and responsibilities (including their involvement in the selection of the Rector), the criteria for their members and their method of selection. (C)

111. The Master Plan should set out a (perhaps phased) timetable for the introduction of a new selection process for senior management posts that would combine an assessment of an individual’s capability to do the job with the views about possible candidates from the relevant group(s) of staff. (B)

116. The Master Plan should explain the importance of having good management processes within universities and what the main ones should comprise; it might also
set out proposals for how such processes could be developed and should be supported by professional staff, together with a (perhaps phased) timetable for their introduction. (B)

123. The Master Plan should set out the steps and a phased timetable for universities to have more autonomy on staffing matters – but make it clear that there need to be changes in governance and management within universities as the balance for more autonomy. (C)

133. The Master Plan should set out the steps to greater financial and procurement autonomy, together with the linked requirements for changes to governance and management, and the tasks that need to be undertaken and by whom. (C)

134. The Master Plan should include an outline of the steps to greater autonomy. (C)

8. Role of government

137. The work to develop a Master Plan should provide the framework for undertaking the analysis to produce the required changes to the Law. (C)

142. The Master Plan should examine the methods by which public funds might be distributed to universities in a way that best encourages them to develop consistently with the policies of the Master Plan. (C)

144. It should be a main function of the Master Plan to develop a long term strategy for higher education and the policy framework for its successful implementation. (C)

147. An output of the Master Plan should be terms of reference and role of NCHES. (B)

Suggested handling of recommendations in the Master Plan

Listed by paragraph number

A. Policy statements that could be made in the Master Plan, without further analysis

18, 19, 37, 42, 67, 89
B. Policy directions that could be set in the Master Plan, but needing further analysis that should be undertaken as soon as possible (within 6 months)

10, 20, 36, 47, 55, 56, 57, 65, 68, 92, 111, 116, 147

C. Policy directions that could be set in the Master Plan, but needing further analysis, for which a timetable should be set in the Plan

13, 38, 44, 70, 75, 80, 86, 98, 109, 123, 133, 134, 137, 142, 144

D. Issues requiring further analysis before a policy direction can be set, for which the Master Plan should set a timetable

15, 23, 26, 27, 82