

ANNEX 3: HIGHER EDUCATION IN SERBIA - REFORM STRATEGY

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I. Mission statement

The Ministry of Education and Sports, appointed by the newly elected government of Serbia in February of 2001. defined its mission with regard to the higher education system as:

Establishment of modern higher education system in accordance with the Bologna process.

Within the system the main defined objectives were:

- Increase the efficiency of the HE system in terms of the drop-out rate and the length of studies – introduce the two-tier system with the ECTS as a measure of students' workload.
- Harmonize the HE system with the European tendencies with special emphasis on quality assurance – introduce quality control mechanisms that will ensure quality outcomes for learners, quality in educational provision and performance, and excellence in research.
- Establish the relevance of the programs with respect to the national needs as well as the market demand. Promote the multidisciplinary and interdisciplinary programmes leading towards the new professions created in the technological era.
- Promote the concept of applied studies, which provide skills and competencies required by the labour market.
- Incorporate students as partners in the educational process
- Promote mobility of students and teachers.
- On a broader scale the set goals were expected to imply:
 - Contribution to the democratic development of the country.
 - Support of the transition process especially in economic recovery
 - Promotion of the value of European integration

II. Adopted Approach

1. Introductory remarks

In order to achieve the defined goals a number of activities were planned. They can be broadly separated into three categories:

- The analysis of the European HE system, with the particular emphasis to the changes that took place during the nineties, while Serbia was under sanctions;
- The analysis of the current state of the Serbian HE system;
- The analysis of the Department for Higher Education – structure, functions and services, human and financial resources – together with the overall national management of the HE system.

The results of these activities led to the outline of the reform strategy of the Serbian HE system which was presented in January of 2002 at the conference 'From Vision

to the Concrete Steps'. The White Paper 'Quality Education for All – a way Toward a Developed Society', Reform Strategy and Action Plan were published.

Simultaneously, the draft of the new Law on Universities was prepared. With full awareness that this Law would not be able to reflect the necessary reforms in their entirety, it was nevertheless needed to alleviate the negative effects of the existing one enacted in 1998, which had cancelled all autonomy and brought us suspension from the CRE.

In addition, while preparing the strategy certain issues like accreditation, introduction of ECTS, quality control and so on were identified as having high priority and corresponding activities were planned.

The afore-mentioned steps led finally to the concept of the new reform HE law whose drafting was started in January of 2003.

2. A survey of the activities related to the European HE

Learning about the changes in European HE area started near the end of 1999 thorough an educational NGO (AAEN) established as a response of part of the academic community to the 1998 University Act. Defining its mission as *providing additional and alternative graduate education for young academics (students and junior faculty members) and a model for university reform, thus helping the processes of transition towards an open civil society, market economy, and political democracy*, the AAEN was accepted by the relevant European HE institutions and was able to monitor the beginning of the Bologna process. The results of the many seminars and conferences were summarized within a booklet 'Serbian HE in 2010?' (*)]that was printed in the spring of 2001 and served as an introduction to the conference 'Serbian HE on the road to Europe' which was organized in March of 2001 by the Council of Europe, CRE, Serbian Ministry of Education and sports and the AAEN. The conference had an audience of over 700 academics from Serbia who were introduced to the major aspects of the Bologna process, Lisbon recognition convention as well as the results of the Legislative reform project carried out but the Council of Europe.

(*)*Turajlić S, Z.Milutinović, S.Babić, Univerziteti u Srbiji 2001, AAOM, Beograd 2001, (available also at www.aaben.edu.yuand www.mps.sr.gov.yu)*

Later, during the academic year 2001/2002 a number of seminars and conferences were organized with the help of Council of Europe, EUA, HRK, DAAD, GTZ, Konrad Adenauer and so on. Most of the conferences were dedicated to the general HE topics, while only a few focused on particular issues like vocational schools, privatisation, recognition, ECTS and diploma supplement, and so on. In addition, the Ministry of Education and Sports organized several debates and workshops at Serbian universities.

It can be concluded that the Serbian academic community had been exposed to the most of the relevant documents concerning the creation of the EHEA and had been offered an opportunity to discuss them in detail. In general, there is an agreement that Serbia should join the EHEA. However, to what extent each institution, or to that matter each academic is willing to really commit itself remains yet to be seen.

3. Analysis of the Serbian Higher Education system

a. Serbian HE system

Post-secondary education and university education are regulated by two separate laws. Over the years these two laws regulated all aspects of institutional life. Even when the establishing of private institutions was introduced (in the mid-nineties), they were subjected to the same set of rules. Thus the university governance structure, study rules and degree structure, teaching staff and their corresponding titles and rules for promotion, students rights and obligations are homogenized throughout the country. In general, the institutions are deemed to be autonomous, implementing their own decisions within the strictly prescribed framework. The only difference between state and private institutions lay in financing and ownership.

A brief summary of the present state of the HE system in Serbia is presented in Appendix I. However, the major strengths and weaknesses of the system are presented together with the reform concept, as a rationale behind the proposed steps.

Until the 2002 University Law all major decisions, ranging from the national education policy to institution accreditation, were made by the government through the Ministry of Education, which lacked the necessary expertise to accomplish these tasks efficiently.

b. Sources

- · The analysis carried out by the Ministry of Education and Sports, based upon the statistical data, as well as upon the existing legislation, and observations. First draft presented in June 2001.
- `The University we desire` - a series of seminars organized by the Student Union of Serbia (December 2002 to December 2003). Those conferences gathered around 400 hundred students from Serbia for each session (*).

(*) Conferences reports can be seen at the Students Union website
www.sus.org

- The report on the two-year post-secondary vocational schools had been prepared by the beginning of 2002. This was followed by a detailed review of the practice in some European countries, together with a proposal for the reform of the existing schools into 3-year Schools for applied studies organized within the universities of applied studies. (GTZ is running a project for reforming the Business schools. The results will be used as a template for other schools).
- Institutional Evaluation of the 5 Serbian state universities (*):
 - Self-evaluation seminars held in November 2001, reports presented in January 2002.
 - External evaluation carried out during the spring of 2002, with reports presented in July 2002.
 - Final conference, with summary report held in November 2002.

(*) Evaluation reports can be seen at the corresponding universities websites (links available at www.mps.sr.gov.yu)

4. Ministry of Education and Sports – Department of Higher Education

b. Background

In spite of the fact that the Department of Higher Education was over the years formally in charge of the overall national HE policy and management, it was never developed towards fulfilling this task. It might be even said that it was never expected to take its role seriously.

The national HE policy was always considered to be the privilege of the ruling party, and was used and abused in accordance with the current political goals. Since academic quality assurance, or to that matter any other aspect of the HE system was never an issue to be seriously considered the Department did not have an employment policy that would call for experts in this area.

In addition, international cooperation was organised through specialized agencies outside the Ministry. Hence, the existing staff never had an opportunity to be exposed to different educational systems, nor to cooperate with the civil servants from Ministries for Education in other countries.

The only set of activities that were developed to their fullest were the bureaucratic, administrative supervision of the existing state HE institutions. Consequently the majority of the staff has general legal education and is well acquainted with all the legal regulations. In spite of this, it seems that the final decision seldom depended on the findings of the supervisors, but rather on the predefined political decision that was to be covered by the formal supervision. Hence, staff was not motivated to take even this task seriously. The situation was further aggravated by the poor remuneration of the civil servants, particularly during the nineties.

A similar situation was encountered within the group that was in charge of the financing. Again, they were not asked to develop any substantial financing policy, but acted merely as a transmission mechanism between the Ministry of Financing and the HE institutions. Since the resources were scarce, they had an additional role in deciding which institutions were going to be favoured over others, which made them vulnerable to all kinds of pressure.

Finally, in spite of the fact that the ICT had started to develop in the mid-nineties, the Ministry of Education has not been exposed to it. PCs were scarce, and were seldom used even for the simplest office activities. Internet and its services were unknown, and the majority of communications were done in person. Hence, the staff spent long days conferring with different parties who considered it necessary to attend personally to almost any business.

b. A Survey of the Activities

Intensive capacity building, adjusted to the needs of the reform preparation had to be put on the top of the agenda. However, the fact that the country was emerging from the long period of complete isolation called also for a number of tasks that could not have waited for the restructuring of the Department. This problem could have been solved in two different ways:

- Engage foreign and domestic experts for the reform tasks and organize training for the existing personnel.
- Ask the existing personnel to carry out all the necessary tasks and try to provide them some assistance in doing it.

The first approach might have looked more promising, and was certainly preferred by most of the potential donors, but in the view of the still poor remuneration in the civil service sector it would have brought the risk of losing the proper motivation. It was not hard to imagine the feeling the staff would have, had it been left out of the more interesting and demanding activities. In fact, it's hard to expect capacity building in an

under-paid civil sector, while extremely well-paid experts are swarming around. Hence, accepting the risk that some of the tasks might be slightly delayed, and probably not accomplished with the same level of excellence, the second approach was adopted.

In addition to the gathering of the data for a survey of the HE system, two major activities were initiated at the same beginning: applying to sign the Lisbon convention and to join the Bologna process. The right to sign the Lisbon convention was granted in the June of 2001. This was followed by a study tour to the Austrian ENIC centre and establishment of the Serbian ENIC centre. With the implementation of the ICT and the start of the information exchange within the ENIC/NARIC network, this Centre became a seed around which the modern HE civil service is going to be built. The proper training in computer application as well as the English language was organized for the entire staff. The database for the financing system was designed, that allowed drafting of the new financing decree that is based on the input model. Finally, due to the 'University management project' carried on by the UNESCO-CEPES the issues of strategic management, governance and policy making; financial management and institutional relationships with civil society and local economy as well as quality assurance and development of study programmes were studied in great detail.

Next, the nation-wide management of the higher education system was re-examined. It was decided that the decision making process should be removed from the administrative clerical personnel in the Ministry and delegated to experts. This will be achieved by establishing a National Council for HE together with a certain number of agencies that will be in charge of accreditation and evaluation, funding policy, research and other aspects of the higher education system.

5. The New University Law (2002)

In spite of the fact that the primary objective of the new University Law was to reinstate university autonomy, this Law together with the *Decree on the financing of university activities*, offers provisions for:

- Two types of undergraduate degrees (3 to 6 years)
- The autonomy to define programmes and courses (approved at the university level)
- The introduction of ECTS (unspecified in details, not mandatory)
- Governance and management autonomy (17% of the members of the Council appointed by the Government)
- Financial autonomy (to some extent):
 - Bulk sum for salaries (distribution determined by the faculty)
 - Bulk sum for operating costs and investments (distribution determined by the faculty) up to the percentage of the state's participation in the faculty's turnover
 - Ownership over the acquisitions gained from the faculty's income
- Students' participation:
 - 17% of the members of the faculty Council delegated by students
 - Student parliament (unspecified in details)
 - Students' opinion in the re-election (and promotion) of professors

Faculties' and universities' statutes that were drawn up during the summer of 2002

reveal all the differences among the institutions in terms of their present state, as well as the understanding of the needs to reform and willingness to implement it. Namely, some of the institutions have incorporated all the reform elements provided by the Law, and set the frame for their implementation. The others took a more conservative approach relying mostly upon the existing practice.

The University Law also has a provision for the establishment of the National HE Council that will be in charge of organizing the evaluation and accreditation procedure and deciding on strategic issues related to the HE. In addition, it should set the strategy and monitor the reform process. The establishment of the Council provides the necessary framework for setting up efficient national HE management. At this moment it acts as a reform instigator, by organizing the appropriate working groups that will explore possible reform models, and using its authority to adopt the final solution. With the reform process underway, the National HE Council will set the guidelines for establishing a number of agencies that will become permanent expert groups dealing with the particular aspects of the HE system. Eventually, with the growing economy, some of these agencies might become independent institutions, while the Council will remain in charge of supervising their work (establishing a sort of meta-agency criteria).

6. Preparing for reform

Several activities identified as the highest priority within the HE reform strategy were organized. The choice was guided by different factors.

Firstly, in order to set the ground for the future assessment of the existing HE institutions, it is necessary to establish a clear procedure and to leave some time to the institutions for reorganizing themselves in order to satisfy the prescribed criteria. Hence, the Accreditation agency was chosen as a starting point. In addition, the established methodology will be important in accrediting the private institutions that applied for the license.

Secondly, the curricula reform that is planned by some faculties might introduce the ECTS. Consequently, it is important that the country accepts the standards in this area.

Finally, though the universities can achieve a certain level of reform within the existing University Law, the vocational schools are working under the old legislation that does not allow for their reform. In order to avoid drafting the new legislation for those schools, it is more rational to set the frame for the entire HE system through the new HE Law.

The undergoing activities were aimed at preparing a review of the existing practice and publishing them as handbooks that can be used as basic material for public debates throughout the academic community.

All the activities were carried out by working teams that included members from the academic community as well as the MoES. By doing so, the HE reform process is also used for the re-education of civil servants within the Ministry, and their adjustment to the jobs that await them in the reformed system.

• Accreditation

A review of the accreditation agencies and the applied methodology in most of the European countries, USA, Canada and South Africa has been compiled. It is accompanied by the proposal for organizing a Serbian accreditation agency. The handbook was printed and distributed in October of 2002 (*).

(*) Nikolić R., V.Malbaša, *Akreditacija Akreditacija univerziteta u Srbiji*, AAOM, Beograd 2002, (In Serbian), (available also at www.aaen.edu.yu and www.mps.sr.gov.yu)

In January of 2003, the National HE Council has appointed an Accreditation Committee, that is in a process of designing the accreditation procedure in Serbia. This Committee is supposed to transform itself into an Accreditation Agency that will be stipulated within the new HE Law.

· ECTS and Diploma Supplement

The Handbook on ECTS (*) and Diploma Supplement had been printed and distributed in December of 2002. The National Council is in the process of adopting the rules for implementing the ECTS.

(*)*Marinković-Nedučin R, P.Lažetić, Evropski Sistem prenosa bodova u visokom školstvu – Vodič kroz ECTS, AAOM, Beograd 2002, (In Serbian), (available also at www.aaen.edu.yu and www.mps.sr.gov.yu) · State and university*

A review of the different solutions regarding state universities in Europe has been made. A summary of the most applicable solutions will be prepared for print.

· The Law on student organizations

The debate with the student organizations revealed that it is not yet clear whether a separate Law on Student organizations is needed. While contemplating this, it was agreed to define a procedure for electing the student parliaments. This procedure has been submitted to the National HE Council, and waits to be formally accepted.

· Evaluation

An evaluation team was organized within the Faculty of Philosophy, University of Belgrade in cooperation with the Ministry of Education and Sports. This team proposed a research project that includes the evaluation of teaching activities and programmes to be performed at the Faculty of Philosophy as a pilot institution. Additionally, a handbook on student evaluation has been also printed and distributed (*).

(*)*Handal G, Studentska evaluacija nastave – Priručnik za nastavnike i studente visokoškolskih ustanova, AAOM, Beograd 2003, (Translated in Serbian)*

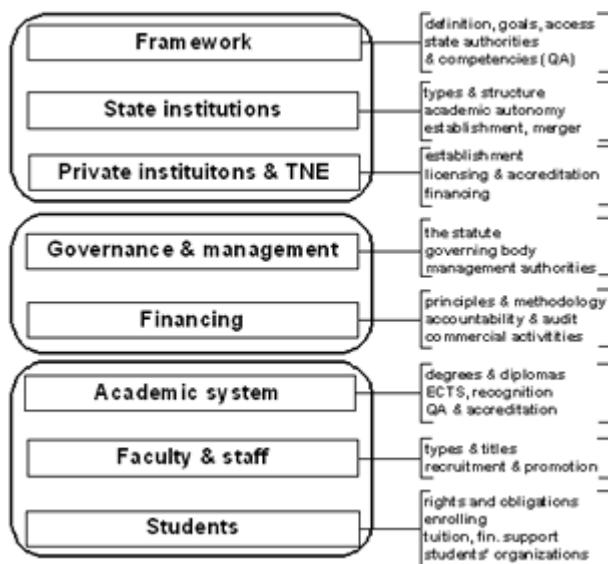
In addition to the activities organized by the Ministry of Education and Sports, a number of regional projects related to university reform is under way. These projects also serve as a valuable source of knowledge in preparing for the coming reform.

Annex 3: III. The Concept of the HE System

1. INTRODUCTORY REMARKS

At the beginning of this year the National HE Council appointed a Committee for preparing the new HE law that will include universities as well as schools for applied studies. So far the Committee is still preparing the first draft.

The HE Department of the MoES has prepared the initial concept that has yet to be discussed within the Committee and approved by the National Council. Hence, only the starting point together with some of the proposed solutions can be outlined.



Drafting the concept was based upon the weaknesses of the existing system that has been detected through numerous analysis. In addition, the obligations accepted by signing the Lisbon Convention, as well as by applying to sign the Bologna Declaration were also taken into account. Finally, a number of new legislations adopted in several European countries, together with their experience in reform were also analysed.

Another aspect of the drafted concept relates to the existing institutions and their ability and willingness to change. Namely, the concept has had to take into account that we are *reforming an existing HE system, and not building it anew*. The fact that there are significant differences among the existing institutions yielded to the idea that only general framework should be defined by the law, with the tendency to highly deregulate their operation, while stressing the link between autonomy and accountability. Thus, the law will set the final goal, together with the mechanism with which it can be achieved, allowing each institution to decide upon its own pace in the reform process.

There are three broad areas that are covered by the drafted concept as depicted in the diagram.

2. INSTITUTIONS >>GENERAL FRAMEWORK

Background

The objectives and definition of higher education were probably set at some of the previous Communist Party Congress, though it is difficult to find records. In spite of this, the number of years that have passed since then undoubtedly call for reconsidering the role that HE is expected to play in the period of transition.

The university autonomy has always been (rightly) perceived as a guard from state (ruling party) political interference. Hence, it will be difficult to distinguish the state's right and obligation to supervise the higher education system from the university's autonomy as a precondition for an efficient academic system in a modern society.

The problem will further be complicated by the need to introduce some mechanisms for accountability.

Objectives and proposed solutions

· To define the HE system and its role in society –

HE is considered to be a public good that should be financed by the state to the limit of the available budget. Students are trained in order to perform on the labour market for highly qualified personnel

In order to explain this concept it is necessary to point out that the Serbian state HE institutions have found themselves in a rather peculiar situation. Over the years they grew in accordance with the tendency of massification of the HE system, which was considered to be a public good. However, with the declining economy within the last decade, their actual capacity significantly outgrew the budgetary funds. Therefore, if the HE is regarded as a public good offered on the basis of merit, then most of the institutions will operate with half or even lower capacity. On the other hand a number of private HE institutions were established, offering HE to those who could afford it. Since the country has not yet established any specific procedure for accreditation or quality assurance, there is no means to assert that private institutions are any better. On the contrary, based on the years of existence and accumulated experience it seems that state institutions are more likely to offer higher quality. Hence, there is a question whether by insisting that the state institutions continue to offer only 'free' (budgetary funded) education, the government will deny the right to those who can pay to achieve a possibly better education?

Under the assumption that in a country where the overall percentage of the citizens with HE is extremely low one cannot afford any institution working below full capacity, this issue can be solved in several possible ways.

- a) Define a tuition-fee for all students that will add up to the budgetary funds so to cover the existing capacity of the HE institutions.
- b) Define a scale of tuition-fees (from 0% to 100% on the basis of merit) that will add up to the budgetary funds and cover the existing capacity.
- c) Define a number of students for which HE is public good (selected on the basis of merit) and let the institution decide on a tuition-fee for the remaining students. This fee is not related to the fee paid from the budget, but to the estimated market value.
- d) Define a number of students that have full or part access to the budgetary funds (on the basis of merit) and let the institution decide on a tuition-fee for the remaining students.

In the first two schemes the state HE institutions remain the ones offering the public good, while the interested parties are simply asked to help their country to overcome its 'poverty'. This might seem a 'fair' approach, but only if the state is correctly estimating the cost it is covering per student. In countries that are relatively poor, and where governments are constantly struggling with potential social unrest, the state is

bound to try to underestimate the tuition-fee it is paying. As a consequence, the institution will be forced to lower the quality of its services.

The second two schemes establish the state HE institutions as semi-private institutions, which are partially competing on the market. For those institutions that are offering market attractive programmes this seems to be an ideal solution. However, the government will have to cope with the public dissatisfaction with high tuition fees. On the other hand, non-attractive programmes will be forced to lower tuition-fees under the real value (to get at least some money), which will probably result in somewhat lower quality of services.

Faced with the possible choices Serbia has opted for the scheme c). The two year experience is hardly adequate for any definite conclusions, but some of the problems are already apparent.

Firstly, Serbian universities are loose associations of faculties, which are completely independent in their enrolment process. Thus, some of the faculties are collecting substantial funds, while others remain extremely poor.

In addition, the faculties are autonomous to decide upon spending policy. Some of them are investing in infrastructure, but some only in salaries. According to the existing legislation neither the university nor the government can alter this behaviour.

The second encountered problem is related to the overall number of enrolled students. Realizing that enrolment is a possible source of significant financial gain, some of the faculties tend to increase the number above the real capacity (which is hard to establish in the absence of any QA mechanisms). In theory the university can control this number, but in practice it seldom has the strength to do it. (Each faculty tends to keep to itself, thus preventing possible future influence in its own decisions). Moreover, the government which also has the right to control the number, is under the pressure from future students (facing a scarce chance to get a job with a high school diploma) and their parents, so it is reluctant to cut the enrolment number down.

Finally, the merit is based on prior academic achievement and entrance exam results, which are inevitably influenced by the standard of living and educational structure of the family. Hence, those 'who have' have a double advantage. They are more likely to get budgetary funding, and even if they don't their families are more likely to be able to pay tuition-fees. The question of why their financial status is not taken into account has an easy answer. Half of the population income is still earned on the 'grey market', which prevents any serious evidence of real financial status.

There is no doubt that the existing scheme will have to be re-examined. However, as long as the economy is stagnating it is hard to expect any real improvement. In the state in which Serbia is now, any solution will be almost equally un-fair.

· To specify, as precisely as possible, the state's authorities and competence including its role in the accreditation process –

The nation wide management of the higher education system is conceived so to

combine the governmental political mechanisms with the academic professional mechanism.

The first one, to be implemented by the Ministry for education includes:

1. Planning and distributing the budgetary resources
2. Licensing of the HE institution
3. Monitoring the operation of the HE institution from the administrative and legislative point of view
4. Supervising the Accreditation Committee
5. Supervising the recognition procedure in accordance with the Lisbon convention

The second mechanism should provide for professional decisions regarding the national management of the university system to be made by experts, particularly those inside the system, with due observance of university autonomy. This is achieved through the National Council for HE that is charge of:

1. Developing the overall HE policy
2. Setting the evaluation policy together with the accreditation criteria that are proposed by the Accreditation Committee
3. Setting the enrolment policy
4. Proposing the funding policy

The Centre for accreditation and quality control is established as an independent entity whose role is to initiate, monitor, promote and perpetrate the accreditation procedure.

STATE INSTITUTIONS

Background

Over the years the government has established a number of state universities (with a certain number of faculties) together with vocational schools. The decisions were based more upon political will, than upon the proper evaluation of the academic merits. The established institutions were left to develop themselves as they deemed appropriate. In a way, there was a taciturn consent that each faculty would mind only its own profession and would not get involved with educational academic policy or to that matter to any policy at all. The university represented only a weak conglomerate of highly autonomous faculties. In fact each faculty is almost a highly specialized university in itself (independent institutional development, development of the disciplines needed to support the major programme, building its own administrative infrastructure, etc.). This has resulted in:

- Multiple layers of unnecessary and costly duplication in a number of fields (teaching, administration, services), resulting in wasted resources at all levels and a high degree of inefficiency. Also due to these structures, inadequate use is made of essential but scarce equipment which does exist in some universities.
- Misbalance between the authority of the rector (mostly honorary) and the dean

(executive).

- Difficulties in organizing multidisciplinary and interdisciplinary programmes

Contrary to the university that has a certain level of supervising authority over the faculties (promotion, M.S. and PhD thesis), higher vocational schools are completely independent and supervised only by the Ministry of Education. Over the years they were left to expand out of all proportion, acting as a `safety valves` for those young people who, upon graduating from high-school, were not offered jobs or indeed any other opportunity. Obviously, such an unregulated existence is no longer tenable.

Objectives and proposed solutions

· To define the university and set relationships between the university and its faculties-

Establishing the university as the single legal entity, with the departments offering programmes in specific areas has been proposed. Several departments offering programmes in one broader area (such as engineering, medicine etc.) can be grouped as Schools.

Even in this preliminary phase this proposal provoked strong disagreement within the existing Faculties. Solution will probably be found by clear division of authority and competencies among the university and its departments (Faculties).

· To define the organizational framework for the schools for applied studies (colleges)-

The existing vocational schools will have to try to reform themselves and to introduce a three years (180 ECTS points) applied studies programmes. The transformation is not going to be automatic, but each institution will be properly accredited before getting the license to operate as a school for applied studies. Wherever possible, colleges will be grouped into the universities of applied studies.

Most of the existing vocational schools are ready to accept this proposal, and are already preparing for the reform.

· To define the role and the position of the research institutes which are related to the HE institutions –

This issue is left for the separate Law on Research Policy that is drafted by the Ministry of Science and Technology

· To establish a licensing procedure –

The Ministry of education is in charge of the licensing of the institution, based upon the recommendation of the Accreditation Committee that is evaluating the programmes offered by the institution.

The licensing conditions are set by the HE National Council.

PRIVATE INSTITUTIONS AND TNE

Background

In the mid-nineties the space was opened for establishing of the private universities and vocational schools. However, even then the accreditation procedure was loosely outlined within the Law, and focused again only on the set of formal criteria that included the availability of space, teaching equipment and an adequate number of professors. The Ministry of Education was formally in charge of defining the more specific procedure, but it never came to it. It might be said that only the poor economic conditions saved the country from an uncontrolled mushrooming of private institutions.

Presently there are three private universities each with several faculties. They were established at the end of the 1990s, but records of their licensing by the Ministry of Education are incomplete. Inspection revealed that they all fulfill the formal criteria,

but their programmes are yet to be evaluated. In addition there are five private faculties offering programmes in the specific areas. Due to the overtly regulating University Law, all private institutions are organised in the same way as state institutions.

One of the peculiarities of our private sector is the fact that almost half of the teaching staff is employed at the state institutions and working part-time in the private institutions.

Only one institution offering so-called 'trans-national education' operates within the country. The Federal government of the former Yugoslavia licensed it in 1985.

Several foreign institutions have inquired about the conditions for the establishing of distance (external) programmes or franchised institutions in Serbia.

Considering the fact that the requests for the opening of over twenty private faculties await the Ministry of Education's decision, it is important to prevent the uncontrolled growth of the private sector and the corresponding consequences that have marked all the countries in transition.

Objectives and proposed solutions

- To set the precise conditions and criteria for the establishing, licensing and accrediting of private institutions –**

The accreditation procedure does not differ significantly from the one defined for the state institution. The only difference being the initial project proposal that has to state clearly the mission, main objectives, target group as well as secured financing to support the running cost for a certain period.

The license is issued for a number of accredited programmes and predefined number of students. Each change in programmes and/or number of students has to be formally requested, and can be introduced only if specifically granted.

- To examine the state funding policy towards private institutions –**

At this point there are no provisions for state funding of private institutions.

- To define the stance towards trans-national education –**

The TNE will not be regulated by the HE law. However, all diplomas issued by a TNE institution will have to be recognized within the country. The 'Code of good practice' adopted by the ENIC/NARIC network will be promoted within the recognition procedure.

3. GOVERNANCE

Governance & management

Background

All higher educational institutions have a peculiar combination of centralized and decentralized management. To begin with, the managerial role is highly reduced by the overtly regulating law, which prevents any managerial skills to show their full potentials. All political and professional decisions that are to be made at the national level are prepared by the administrative personnel at the Ministry for Education and approved by the government. Apart from this, the state has reduced itself to a modest supervisory function whereby it appoints 15% of the members in the managing boards of each of the higher education institution. The students' participation is reduced to the 15%, while the remaining members are coming from the institution.

At the institutional level (faculty or vocational higher school), the major role is played

by the Educational Council whose members are all lecturers within the institution. The council is in charge of all activities, ranging from the election of dean and vice-deans, to appointments, promotions as well as curricula and thesis revisions. In spite of the fact that the elected dean's appointment has to be confirmed by the managing board, while appointments and promotions have to be confirmed by the university council, the final outcome always reflects the will of the institutional council. This is considered to be the major asset of the university autonomy. Inasmuch as it can be argued that the members of the institution are in a position to decide among themselves who deserves to be promoted, or appointed as a dean, there is a fact that collective deciding is prone to reduce accountability. As long as one vote represents something like one hundredth in the overall decision, it is cast without the full awareness of the responsibility it could consequently carry. Hence, the question of accountability becomes also rather vague and fuzzy.

Objectives and proposed solutions

These issues are related only to the state institutions. The private institutions can organize themselves freely.

- To set the institution competencies (staff employment, students' admission, curricula etc.).**

The division of competences between the university and its departments is presented on the diagram.

- To define the structure of the governing body and the rules for appointment.**

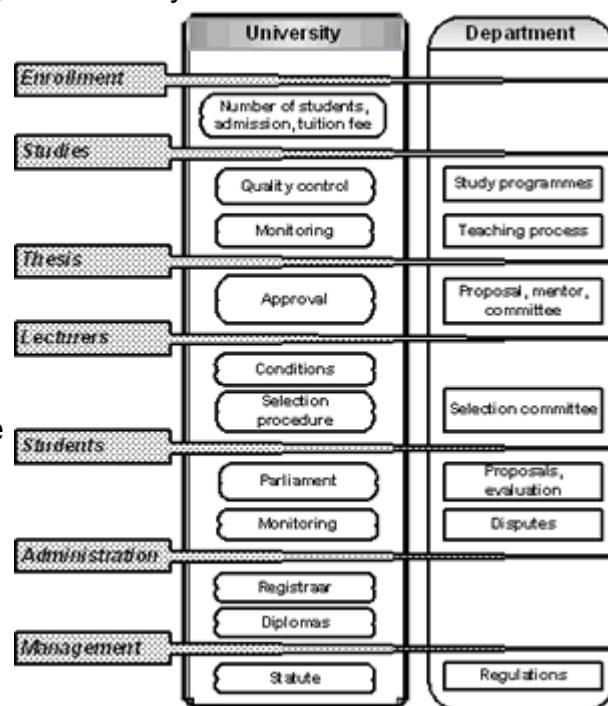
The institution governing body is the University Council whose members are appointed from the three interest groups: teaching staff, students, and founders (the State or the private consortium). Members coming from the first two groups are elected, while the external members are appointed by founder. The percentage of the representation of each group is not yet decided.

The Council is in charge of adopting the university statute, appointing the management body, developing the institution mission and strategy, as well as supervising its activities.

- To specify management authorities.**

Management activities are conferred to the Rector and Vice-Rectors that are appointed by the Council.

Teaching and research activities are coordinated and supervised by the Educational Council that comprises representatives from all the departments.



Student related issues are coordinated by the Student parliament.

The Rectorate, the Educational Council and the student parliament can appoint a number of committees for specific tasks.

Financing

Background

Public sector higher education is financed from two types of sources:

- Public funds (the State budget);
- Higher education institutions' own funds derived from revenues outside the budget.

Public funds that are allocated to an institution consist of three parts: salaries, teaching and running costs and maintenance.

The lump sum allocated for salaries depends on the total number of teaching positions needed to cover the estimated teaching load under the compulsory six 45 minutes classes per week. The overall teaching load is deduced from the formula that links the number of enrolled state funded students, the total number of courses as specified by the curricula and the number of teaching groups whose size depends upon the disciplines (i.e. the prevailing teaching methods) that particular institution is covering. The sum is finally adjusted so to reflect the actual state within the institution with regard to the distribution of different positions together with the years of employment. Regardless of this 'ideal' number of lecturers, an institution is entitled to its own hiring policy. This means that it can be easily overstaffed or understaffed.

In general the institution is expected to determine the level of salary based upon the ranks. However, this is not compulsory so certain institutions decided to introduce different criteria based upon the actual teaching load. Experience has shown that these institutions have fewer employees than ideally estimated which gladly accept having higher weekly workload in order to get better salaries.

The teaching and operating costs are calculated in a similar way. They are again based upon the number of students as well as upon of the equipment required for lectures. However, since a part of the expenses results from the activities that are not directly linked to teaching, only a certain percentage of the calculated amount is provided. This percentage equals the ratio of the state's participation in the faculty's turnover. Since these funds are allocated on the level of faculties there are no any incentives on the university level that will call for higher efficiency in implementing teaching equipment and reduce the existing overlapping of laboratories. Within the last years, these funds were rather scarce and only a certain percentage of the allocated budgetary funds were actually transferred to the institutions.

The funds needed for maintenance of the premises are defined by the institutions themselves. This usually represents a long list of 'wishful thinking' from which only those items that are absolutely indispensable are covered.

The extra budgetary revenue comes from students' tuition, research projects and cooperation with industry or public sector. The last two sources are typically linked to a group of professors within one institution, and serve as additional source for their salaries. As a general rule, this group is required to credit a certain percentage to the institution. Depending of the institutional policy this percentage may range from a

symbolic 5% to the substantial 50% of the total sum. With the declining economy, the extra budgetary revenue was reduced mainly to tuition, which prompted the institutions to fight for a large number of students, even at the expense of lowering the teaching standards.

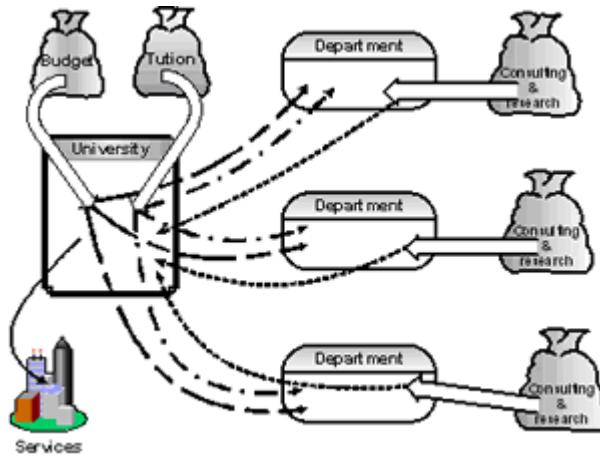
It is obvious that the amounts of extra budgetary revenue differ significantly from institution to institution. This is due to students' interest as well as to the possibilities to sell particular expertise on the market. With the missing role of the university as the cohesive factor, there is no solidarity among the institutions so that their financial status significantly varies. This in turn have direct effect on the teaching and research conditions.

Objectives and proposed solutions

- To set the principles, conditions and methodology for state funding –**

The overall funding scheme is presented on the following diagram. The exact percentages have yet to be determined.

The main objective is to make the institution financially responsible. The lump sum model that is based mainly on input factors is revised so to link to quality measures, output factors or good performance in priority areas as well as to some stimuli for innovation and reform. The budgetary funding is directed to the university that would have to manage the lump sums they received according to pre-established criteria of excellence in teaching and research. They will be forced to set their priorities, establish some balance within different non-profitable and profitable disciplines and to carefully re-examine the policy they adopted toward the extra budgetary revenues. This will allow for increased efficiency in using the available resources. In addition, this will also call for a more systemic approach to the hiring policy and the overall teaching and research load.



In order to motivate the departments to carry on their external activities, they are allowed to manage the major part of the income earned through these activities.

- To establish the accountability policy and define the audit procedure –**

The overall organization of the state budget transaction provides the full transparency of the funding. In addition the Ministry for Education is in charge of the audit procedure.

4. ACADEMIC SYSTEM

Background

As mentioned earlier, the founding of state universities and vocational schools was guided mostly by political consideration. Existing universities were not asked for their opinion, and even if some academic group was prepared to voice it, there was nobody willing to listen. Once established, the institution was never subject to any proper academic evaluation. The only type of supervision, defined by the law, consists of verifying whether the prescribed bureaucratic procedure was carried out to the last letter. The Ministry of Education was in charge of this procedure, but in spite of some vague attempts, it never introduced even the rudimentary quality control.

The existing HE state institutions, though similar in form, vary significantly in their internal organization and achievements. Deciding for themselves about their mission and goals, defining their curricula autonomously with respect to their perception of the country's needs, together with respect to similar institutions worldwide, competing, though informally, with other institutions in the country in terms of former students' achievements, published papers, research activities, etc., some of these institutions managed to achieve very high standards. The price to be paid was twofold. On one hand, the university studies became rather difficult, resulting in a prolonged study period, while on the other hand the focus was set on research, neglecting teaching activities and students' needs.

Due to a lack of better means for evaluating institutions, the success of former students in their graduate studies at world-renowned universities became the only applied criteria. Setting this as a goal, each institution started revising its curricula, adding more and more subjects to it until it covered the undergraduate and graduate level. Left without a choice, students have been trying to cope with this. The promise of a highly valued diploma kept them in pursuit of the first degree for an average of seven to eight years. Those who made it, indeed excelled, but over 60% of the enrolled students never got any degree, in spite of the fact that they had completed two to three years of studies and passed over 20 exams. Often they could not even sidestep to vocational schools, which have a completely different curricula. Naturally, the throughput of vocational schools is much higher. In spite of the fact that some of them offer decent practical skills and knowledge, they are still regarded as second-rate higher education institutions.

The external institutional reports list the major weaknesses of the existing academic system as follows.

- Outdated and highly repetitive curricula, outdated teaching methodology, together with the outdated and internationally not relevant literature.
- Highly structured mono-disciplinary programmes that cannot answer the market needs. Focus is placed on the theory, with practical skills and knowledge being neglected
- Long and rather difficult undergraduate studies, large dropout rate, too long actual study period, non-existent side exits. Too many teaching hours, with no room for alternatives to traditional ex-cathedra teaching. Large number of exams. Weak and poorly organized post-graduate studies
- Non-existing quality control system and programme and institution

accreditation

Another problem that has to be dealt with is the fact that the recognition of diplomas and certificates is left entirely to the faculty that seems to be the closest to covering those disciplines in question. The usual practice relies mostly upon counting the courses and years of studies and not looking for substantial differences. Hence, very often the diplomas issued by the same foreign university are recognized by some faculties in Serbia, while rejected by the others. This practice, being in opposition to the Lisbon convention, has to be re-examined.

Objectives and proposed solutions

· To define the degrees and diplomas in accordance with the Bologna declaration-

Increased overall study efficiency, diversified curricula and balancing theoretical knowledge versus practical skills are the obvious axes of change.

Two types of undergraduate study programmes are introduced: *applied* and *academic* programme.

Applied study programme combines some basic theoretical knowledge with the acquisition of professional skills and expertise. The curricula should be flexible, allowing the students to select their own route of professional training. The first degree is awarded when a student acquire 180 ECTS points.

The academic undergraduate curricula is a mix of fundamental scientific and applied vocational training. It should satisfy the needs of those professions that require advanced professional and cultural training, as well as of those who are contemplating a career in research or in higher education. Students should be given freedom to opt for a few elective disciplines, alongside the common core subjects, building thus their own specialties. The narrow academic specialization should be left out for the graduate (master) courses. The first degree is awarded after completing between 180 and 240 ECTS points.

The second degree can be a professional (applied) master (300 ECTS points in total) and an academic master (300 to 360 ECTS points in total – cumulative from the beginning of studies).

The doctoral degree (PhD) remains as a step toward research or higher education career. It is awarded after completing the doctoral study programme leading towards the total of 420 to 480 ECTS points.

The division between the types of study should occur at the beginning of the programmes.

However, possibilities for transfer from one type of the programme to the other have to be built into the system.

Universities are the institutions that can offer both types of programmes, while the colleges can offer only applied study programmes and professional master programmes. The underlying rationale for this solution is found in the present distribution of human resources.

· To specify the recognition procedure in accordance with the Lisbon convention

The recognition process is coordinated through the Ministry of education that is monitoring the observance of the Lisbon convention. The universities are still in charge of carrying the recognition procedure.

· To set the evaluation procedure and programme accreditation criteria

The evaluation and the quality control are left for the university statute, while the Accreditation committee is in charge of the accreditation of the programmes.

Faculty and staff

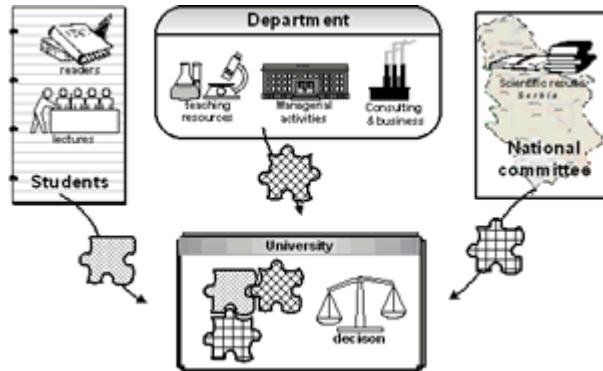
Background

The existing legislation defines five levels of teaching positions: assistant-apprentice (holders of the first degree), assistant (M.S), docent, associate professor and full professor (all three positions require a PhD). Except the full-professorship, which is a lifetime tenure, the other positions are held under contract for a fixed term (3 years for assistants, and 5 years for docents and associate professors). When the term expires the person can be re-elected to the same position or promoted to a higher level. The promotion conditions, specified within the law, focus upon research activities, as they seem to be the only one that can be easily evaluated (by simple counting published papers and text books). This has resulted in an artificially high number of published works and certain neglect in teaching activities, particularly in those disciplines that have a markedly applied character and call for practical experience and laboratory experiments, rather than fundamental research. In addition, in spite of the relatively rigorous mechanism installed by the law, faculties' councils, put under pressure to decide about their peers' future, were always finding a way to interpret the candidates' results as sufficient for promotion. As a consequence, most assistants who get the PhD degree can be sure that they will end their career as full professors.

Objectives and proposed solutions

• To define teaching ranks and titles

Instead of appointing assistants, the teaching-aid jobs are delegated to a wider group of MS and PhD students. Only after obtaining the PhD degree they might apply for a lowest teaching position – docent. This approach will not only allow for a larger pool from which docents are elected, leading thus eventually to better choice, but also offer the candidates the possibility to test themselves and verify their attitudes towards the teaching versus research activities.



The first two teaching positions (docent and associate professor) remain on a contract base, with eventual limits on the number of re-electing periods (remains to be agreed).

The possibility of introducing two distinct professional routes: teaching/research route and teaching route, is also included. Teaching activities combined with the practical skills can lead towards the position of lecturer. Adopting this approach alleviates the pressure of being involved in research at all cost, especially for educators within colleges and eventually within some university programmes that offer more applied training.

The teaching rank can be also conferred to the experts that are not fully employed at the university or college.

• To establish the rank-conferring procedure and criteria

Promotion conditions are some sort of integral over teaching, research and activities within the department related to the development of teaching resources, managerial and business activities as depicted on the diagram.

In order to avoid peer pressure and achieve impartiality within the institution the Accreditation committee sets the necessary conditions. The sufficient conditions are regulated by the institution's statute.

Study system and students

Background

Students' admission is based upon ranking lists that are compiled by the addition of 60% of the score achieved in the entrance exam to 40% of the average grade derived from all four years of secondary education.

Each year the Government decides on the total number of students that can be enrolled at each state-owned university and post-secondary vocational school, together with the distribution of students among different institutions (faculties and vocational schools). These numbers are not based upon the estimated needs, but mostly reflect the capacity of the existing institutions. The government also specifies the number and the distribution of students that are going to be state funded. The total number depends on the allocated budget, while the distribution is derived by combining the estimated needs and the efficiency of the institution (average ratio of the awarded degrees and the enrolled students). The tuition fee for the remaining students is set by the university. The number of students and the tuition fee at the private schools are set by their management.

Once enrolled, the student is expected to pass a certain number of exams in order to be allowed to proceed to the next year of studies. Those who fail, remain formally enrolled in the same year until they give the specified number of exams. Enrolling into the next year the student gets an accumulated number of exams: the total of exams prescribed for this year plus those that he failed to give in the previous year. This accumulation usually results in failing the second or third year of studies.

A student who fails an exam is not required to repeat the whole course, but only to re-take the exam. Theoretically, the same student can sit the same exam an unlimited number of times. In practice this number can be very high. The fact that for many exams the average pass rate is between 10% and 20%, indicates that the students should not be the only ones held responsible.

The significant number of students found that the lecturing is boring, old fashioned and does not capture their imagination. In consequence they do not bother to attend classes and do not develop adequate working habits. The overall situation is further aggravated by widespread stories in student circles of corruption amongst the Faculty's teaching staff.

State financed students do not receive scholarships. Instead their tuition fees are waived, and they have access to the student dormitories and cafeterias where they only pay a symbolic price. The student can fail a year twice prior to losing the state

financed status.

During the previous year a number of new student organizations have been created. They compete for membership mostly by insisting that the academic criteria be lowered. In spite of their efforts to organize a number of discussions about the different aspects of the HE system and to prove that they have something to contribute to the reform process, up until now the universities were not considering them to be partners in any debate. The student Parliament, as envisaged by the Law of 2002, should allow for the student representatives to be actively involved in the reform.

Objectives and proposed solutions

· To set the admission procedure and define the structure of tuition fees

The admission procedure will be regulated by the General Law on Education that envisages the national final exam that will substitute the entrance exam.

There are two categories of students: state funded and self-financed students. The first number is defined by the government, while the second one is defined by the total number of students for which the institution is accredited.

The division between the state funded students and the self-financed is made upon their ranking based on previous results (final secondary school exam).

The structure of tuition fee is still under consideration.

· To define the study system

- The study system is unique for all level of studies (undergraduate and graduate).
- Teaching activities are organized within semesters or trimesters.
- Certain courses or part of courses can be organized in the form of distance learning, but the exams have to be held within the institution.
- The majority of courses are one-semester courses. The teaching load of each course is defined through a number of ECTS points. Grade points should be accumulated during the course (homework and mid-term), so that the final exam contribute to the grade with a certain percentage. Exceptionally a course can last for two semesters, but the student has to be offered a possibility to accumulate a certain percentage of grade points by the end of the first semester.

The courses are mandatory and electives. Attendance of some course can be conditioned with a number of prerequisite courses.

- The curriculum defines a number of courses that are offered within each study year (60 ECTS points). The student decides on his/hers pace of studies by subscribing a number of courses he/she will attend in one year.
- At the beginning of each academic year a student subscribes to a certain

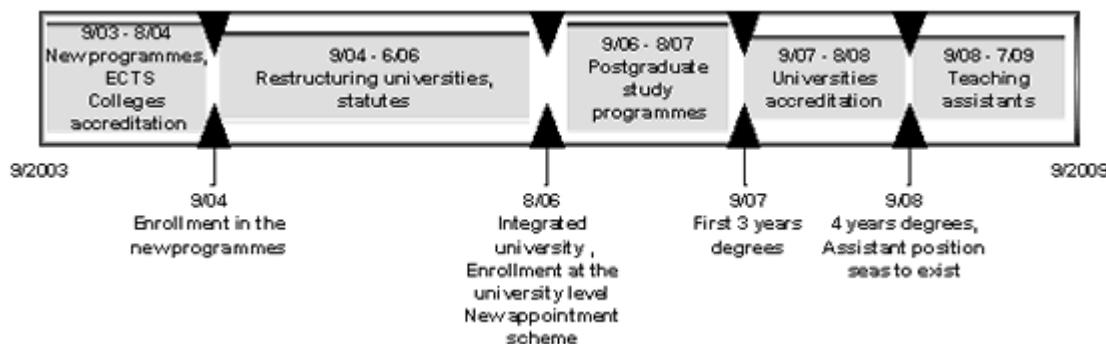
number of courses:

- o *State funded student* has to subscribe the minimum of 60 ECTS points.
 - o *Self-financed student* has to subscribe the minimum of 37 ECTS points (and to pay the tuition fee only for the subscribed courses). (The underlying rationale being the fact that this student is probably working part-time, and cannot be expected to carry the full teaching load. Hence there is no need to pay the full tuition fee for that year).
- If the exam is not passed by the end of the academic year, the same course has to be attended the next year.
 - The state funded student keeps this status only if he/she accumulates at least 60 ECTS points. If not, this student can enroll in the next year as self-financing student.
 - The self-financing student can change the status into the state funded student if he/she has accumulated 60 ECTS points in the previous year and if there are free spaces on the state funded list.

· To set the general framework for student organizations and their participation in the HE system.

In addition to students' involvement in evaluating the teaching process, major participation is expected through the student parliament that will discuss all the issues relevant for the student body. In addition, a number of student representatives will be included in the university council.

The student organizations acts as classical NGOs and are not regulated by this law.



5. IMPLEMENTATION

The transformation from the current state of our HE system to the designed one will have to be done gradually over a number of years. A realistic time line is presented in the following diagram. The starting date has been fixed for the beginning of the next academic year. At this point it is still unclear whether this process will be able to be initiated at this date. Nevertheless, whenever it starts it will be staged as indicated bellow.

6. CRITICAL SUCCESS FACTORS

Strengths

- The decision of the Serbian government to join the Bologna process, and to support the higher education system in implementing it.
- Acceptance of the Bologna process by the Serbian association of universities.
- University participation in a number of regional, as well as Tempus projects related to the HE reform.
- Recognition by the vocational higher education schools that they will not survive within the HE system as two-year, traditionally discipline-oriented, low-rated schools.
- A number of NGOs that have been active in higher education within the last decade, actively following the reform process in Europe, ready to undertake the same endeavour at home.
- Strong students' awareness of the necessity of reforms and their willingness to actively promote it and participate in the process.

Threats

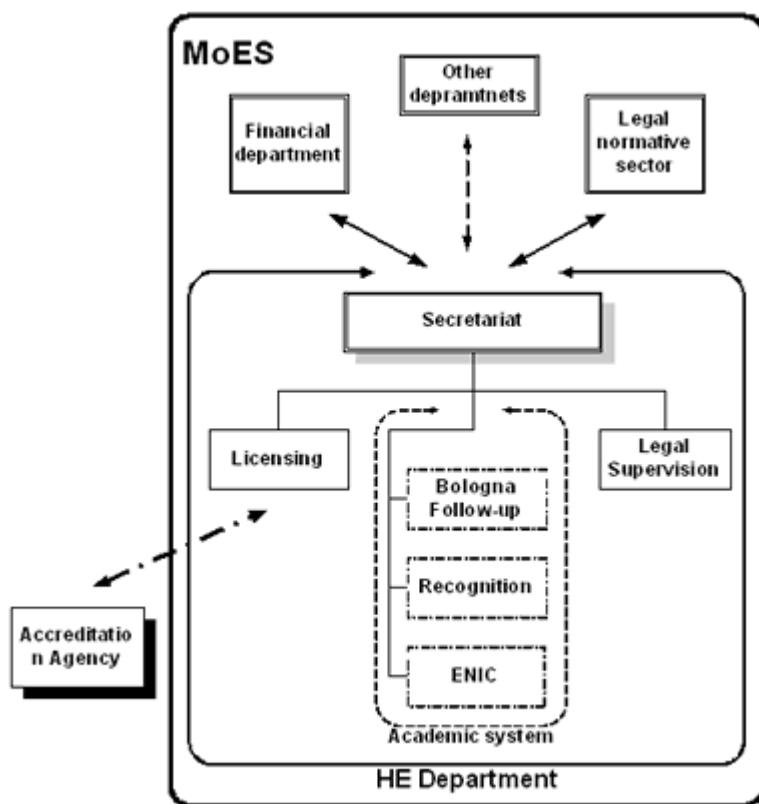
- The university system in Serbia is very traditional, set in its ways, with the overwhelming attitude that only lack of financial support keeps it from being excellent.
- Extreme weariness of any external influence the state (which, in the past was always synonymous for the ruling party) might exert upon the university. Hence, in striving for absolute autonomy, the notion of accountability has been completely lost. Lack of the latter also implies the absence of self-evaluation or indeed any other comparative evaluation method that can help establish one's own place in the academic world.
- Lack of any experience in active participation in reform, since, within the last fifty years it was always externally imposed by the government. Fear of establishing a different system of values, without the ability to predict one's own position in it.
- Delayed visibility of results might impede competition among institutions.

Weaknesses

- Lack of the financial means to promote the reform process or even to support the developing of new curricula and implementation of new teaching methods. The budgetary fund is inadequate, while the majority of potential donors have up to now declined to offer any substantial support, apart from expertise and consultancy.
- Struggling economy with undefined overall development policy that prevents estimation of the labour market's future needs. Contradicting requirements

stemming from the lack of job positions and extremely low percentage of the population with higher education.

- Long-lasting phenomenon of brain-drain, whose consequence is a missing link of a whole generation of scholars, precisely the one that should induce changes.
- Non-existing pool of experts in different HE fields, which cannot be filled until the proper graduate course in HE is established.
- Lack of financial means to fully implement the ICT and to promote life-long learning to support a knowledge-based society.



7. RESTRUCTURING OF THE DEPARTMENT OF HE

The organizational structure of the Department of HE within the MoES has to reflect the planned reform activities. The focus is placed upon the activities related to the support of the reform process. This sector will play the major role in implementing the Bologna process and will later serve as the coordinator of the developments in higher education.

The Licensing Sector will carry the administrative task based mainly upon the recommendations from the Accreditation Agency, as well as the report from the Supervision Sector.

The financing activities are removed from the HE Department and concentrated

within the Financial Department. This solution should allow for the better planning and management of the financial resources allocated to the entire education system.

A local area network is established throughout the Department. However, the only external communication can be achieved through the general e-mail activities. A proper I/O procedure allowing for the introduction of the e-government has yet to be designed.

THE STRUCTURE OF SERBIA'S HIGHER EDUCATION SYSTEM

The higher education system includes post-secondary vocational education programmes and university education leading to bachelor, masters and PhD degrees.

Post-secondary education – College

The two to three year vocational schools (i.e. colleges) leading to *Level VI professional qualifications* offer theoretical and practical preparation for performing sophisticated executive tasks and for organisation and management of other specialists' work. The certificate awarded by these schools is regarded as the final one. However, certain faculties within the university may decide to accept holders of the college certificate and to enrol them into the second or third year of study, offering them a chance to get a university degree. The decision is made in accordance to the degree of overlap between the programmes offered by the college and the university.

▫ University education

Universities are associations of the faculties and academies of art, which exist as legal bodies offering a number of programmes within specific disciplines. Faculties, representing the highest educational and scientific institutions, organize and conduct scientific research, art development and educational work.

Universities offer three types of degrees:

- first degree (*Diploma*)
- second degree – Master (*Magistarska diploma*)
- second degree – Specialization (*Specijalistička diploma*)
- doctoral degree – PhD (*Doktorat nauka*)

In order to obtain a first degree certificate a student has to complete 4 to 6 years of undergraduate studies, depending on the particular faculty. Engineering faculties have five-year programmes, while medical faculties' programmes range from 5 to 6 years of study. In order to graduate from the majority of faculties a student has to successfully complete all the exams within the given curricula and to pass the final exam which consists of presenting a written thesis on a specific topic. The number of exams depends on the faculty and varies between 20 to 50 with the average of 5 to 10 per year.

Graduate studies for the second degree last 1 year (specialization) and 2 years (masters). It is expected that students enrolled in these studies are employed, hence classes are usually conducted in the evenings. Students graduate after passing all exams (6 to 8) and

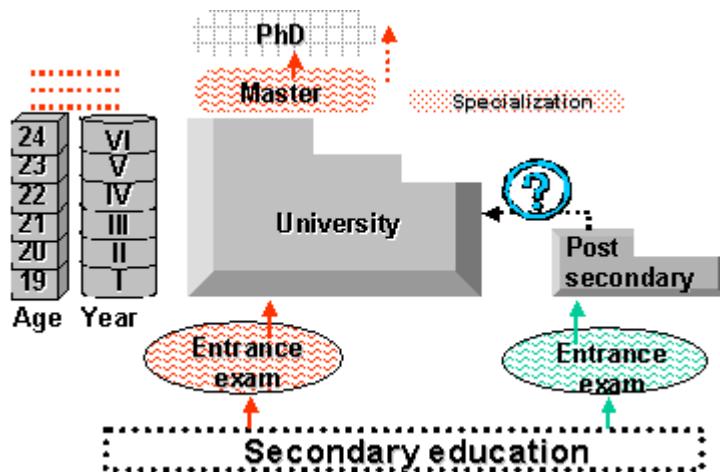
completing the written thesis.

Doctoral studies are not organized as a specific instruction. Instead a candidate decides upon a topic, proposes the thesis subject to the faculty, which upon approval of the subject appoints a mentor to the candidate. The corresponding research project can last for several years until the candidate reaches some valuable results and presents them in the form of a written thesis. Appropriate faculty and university committees evaluate the submitted thesis, and decide upon conferring the PhD to the candidate.

Access to higher education

Graduates with general secondary education certificates as well as four-year vocational education certificates and secondary art school certificates have access to higher education. However, universities and post-secondary vocational schools have the prerogative to specify which particular subjects must be completed at the secondary school level in order to qualify for admission to a chosen programme.

In addition, certain arts programmes accept students without the secondary education certificate under the condition that they pass the special exam specified by the corresponding programme.



Higher education in Serbia

Each year the Government decides on the total number of students that can be enrolled at each state-owned university and post-secondary vocational school, together with the distribution of students among different institutions (faculties and vocational schools). The government also specifies the number and the distribution of students that are going to be state funded. The tuition fee for the remaining students is set by the university. The number of students and the tuition fee at the private schools are set by their management.

The admissions procedure is not centralized: each higher education institution has its own admission board which is in charge of the entrance exam. The entrance exam consists of one to two written tests or essays, covering the subjects that are pertinent to the chosen area. The exam is eliminatory, meaning that the candidate has to score above 30% in order to qualify for enrolment as a student paying tuition, and above 50% in order to qualify as a state-funded student.

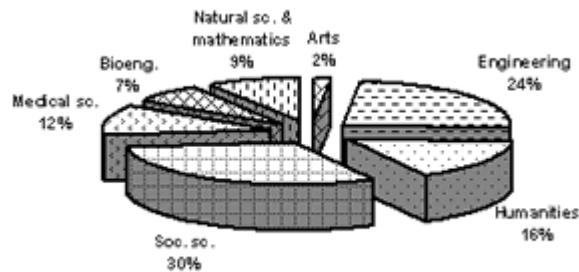
Admission is based upon the ranking lists that are compiled by the addition of 60% of the score achieved in the entrance exam to 40% of the average grade derived from all four years of secondary education.

In order to qualify for the arts programme the candidates have, in addition, to pass a specific exam attesting their skills and attitudes.

Student statistics

The students' statistics (presented in the following tables) are somewhat obscured due to the system of study. Namely, each student is supposed to pass a certain number of exams in

order to be allowed to enrol in the next year. If a student fails to achieve this requirement he/she is required to enrol again in the same year, though most of the time he/she is not attending any courses, but only sitting the exams. In addition, upon attending the courses in the final year student is expected to enrol once again, thus extending his/hers status for another year. This explains the difference between the total number of the enrolled students and the so-called 'active' students that are attending the courses.



On average the total number of undergraduate students enrolled each year is approximately 33,000, of which half are funded from the budget. The distribution according to areas is shown in the diagram. It should be pointed out that the distribution mostly reflects the available capacity in the corresponding fields, rather than students' interest.

Each year, around 12,000 students are awarded their first degree. Only 11% graduate in time, while the average length of study is approximately 8 years.

► Funds

The value allocated to education from the state budget in 2002 is at a level of 3.4% of GDP. The distribution of the budgetary funding is presented in the following table. Since the research activities are funded through the Ministry for Science and Technology the amount allocated to this Ministry is also included. It should be noticed however, that in addition to the universities, researchers from the research institutes are also eligible for this funding. The exact distribution between the groups is obscured by the fact that the same person can participate in projects that are run by either of these institutions.

In spite of the fact that a certain growth of the HE participation in the budget can be detected, the overall allocated amount is far from being sufficient.

	Year 2003		Year 2002		INDEX 2003/2002
	amount	% of the budget	amount	% of the budget	
	1	2	3	4	
Serbian budget	261,501,819,000	-	217,379,629,540		120.3%
Student standard (accommodation and meals)	2,207,200,000	0.844%	1,646,715,000	0.758%	134.0%
Salaries and running costs	6,330,000,000	2.421%	4,837,550,000	2.225%	130.9%
Ministry for Science and Technology	3,740,831,000	1.431%	2,602,414,000	1.197%	143.7%
Total	12,278,031,000	4.695%	9,086,679,000	4.180%	135.1%

The operating costs are covered only up to the percentage of the state's participation in the faculty's turnover. Although this percentage varies significantly from faculty to faculty, the average participation of each university is presented in the table.

University	Lecturers	% budget funds/total turnover
BEOGRAD	4784	49%
ART - Beograd	476	83%
NOVI SAD	3100	72%
KRAGUJEVAC	704	61%
NIS	1398	58%
KOSOVSKA MITROVIC A	980	92%
Total	8223	51%