

HIGHER EDUCATION REFORMS. CONSIDERATIONS FOR ROMANIA.

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Universities world-wide are in a process of change. Higher education is no longer for the elite. It is more and more a mass market; with the trend being towards universal access. Regarding this trend problems of efficiency, accountability and quality have led to a wave of reforms.

Based on experiences from „Babeș-Bolyai” University, especially in the Public Administration Department, we analyze how the Romanian education system is coping with the problems and which path of reform is best suited in this particular case.

1. Higher Education - from elite to universal access

The Romanian Education System has endured many changes during the last 15 years. While 66% of the population favors the reforms, 50% think that changes were rather bad and 51% believe that education was better under communism¹. This raises many question marks about Romanian education reform and its results. Jan Figel, European Commissioner for Education, mentioned some shortcomings: high rate of dropouts, the preference for quantity instead of quality, the quality of university education in Romania and its connection to Europe².

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of Administrative Sciences,
17 E/2006, pp. 107-123*

¹ Source: www.osf.ro, Barometrul de Opinie Publică, May, 2004. Nostalgia or media news concerning incidents in schools may be partially responsible for these answers, but many professors or specialists in education do agree with this statement.

² Interview with press agency HotNews.ro, October 9th 2006

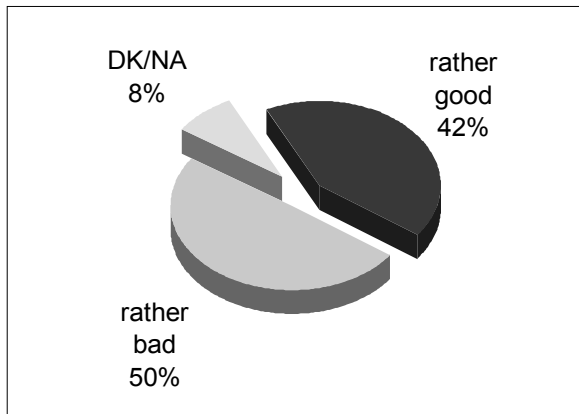


Figure 1 Quality of reforms

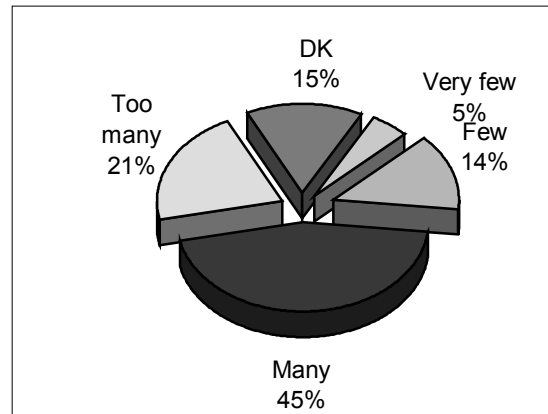


Figure 2 Number of reforms

In Romania only 45% of the population believes that in order to have money (the most revered indicator of success) it is important to have education. Most Romanians, 85%, would advise students to continue beyond compulsory level(s) of education and 53% would encourage them to choose college³. Holding a university degree (rather than having a solid education) is seen a necessary but not sufficient requirement for success. This could be seen as a contradiction, but we must remember the fact that the parents of 2006 that are in the position to make decisions like this are people that reached adulthood before 1989, a period in which education was closely linked with social prestige and economic success⁴. Therefore, we are not necessarily talking about a genuine attachment to the idea of education but, rather, more about respecting a cultural pattern internalized by the parents.

One of the consequences of higher education reforms was the continuous increase in the number of students. During communism the drive was to get people to work after high-school, however in the last 15 years more and more high-school graduates have gone to college.

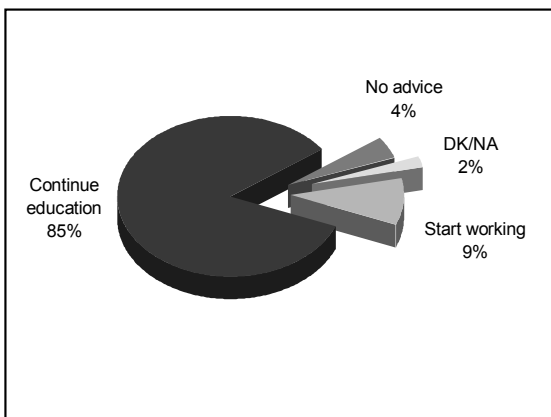


Figure 3 Advice for continuing education

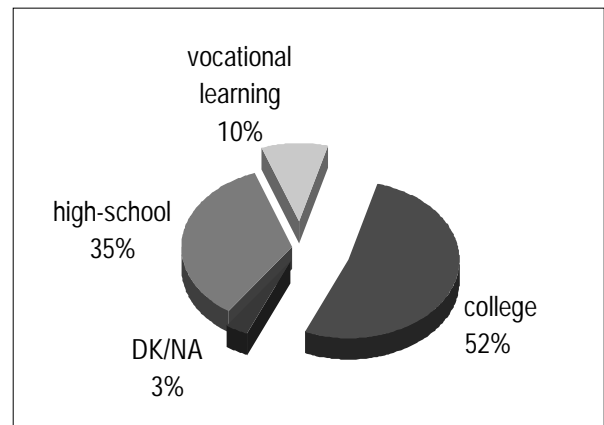


Figure 4 Type of education advised

³ Source: www.osf.ro, Barometrul de Opinie Publică, May, 2004

⁴ Before 1989 there were few vertical mobility channels, education being one of the most valued.

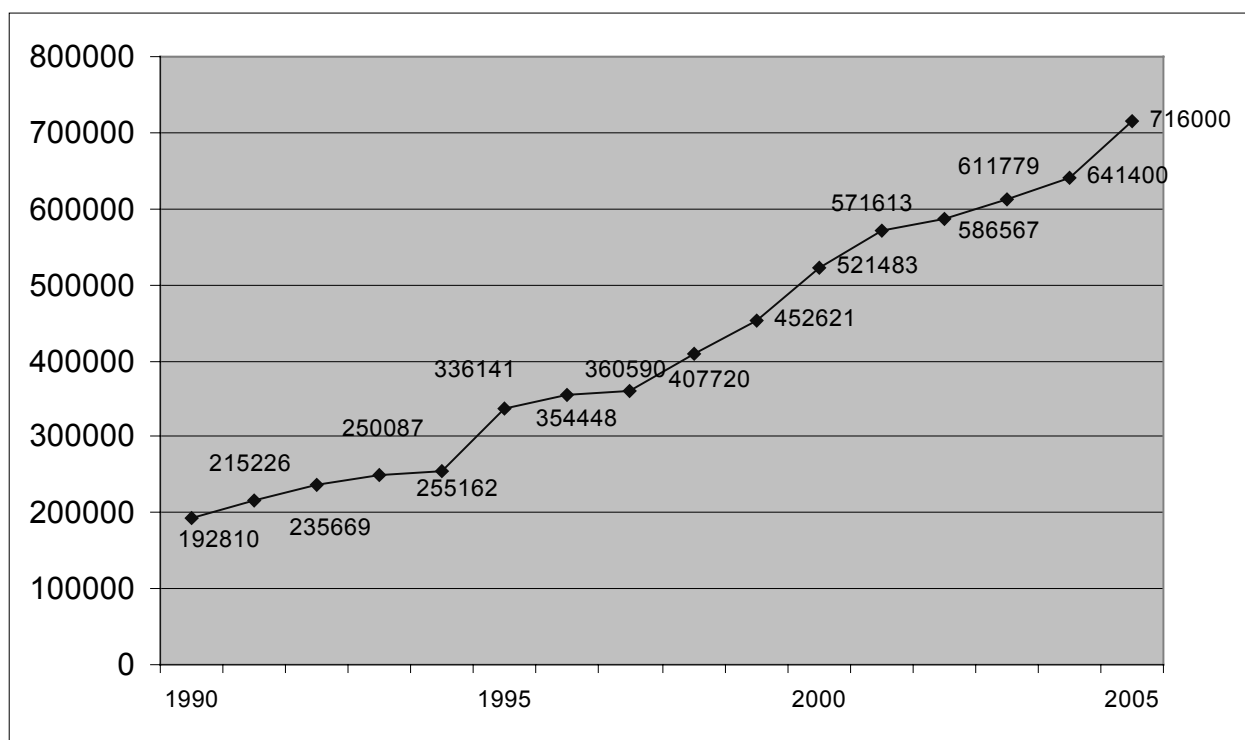


Figure 5 The number of students in Romania

We can see a spectacular growth in only 15 years. Most students choose Economics (28%), Engineering (25%) and Humanities (24%); in the same time Law, Economics and Humanities faculties experienced the greatest growth after 1990. For the Public Administration (PA) Department at “Babeş-Bolyai” University, Cluj Napoca (BBU) the situation is similar. During the last ten years the Faculty had a spectacular increase in the number of candidates. The Faculty/PA Program began with 40 students in 1995 and currently enrolls a total of 1455 students at four sites: Cluj (the majority) and other three branch campuses (Bistrița, Satu-Mare and Sfântu-Gheorghe), compared with 40 students at the start of the program (1995).

UBB has experienced a similar increase. In 1989, there were 5,940 students and 626 academic staff, while, in 2005, the figure rose to 45,500 students and 1255 academic staff.

There is a strong debate over the numbers. Some claim that the number of students is still too low, claiming that the number of students per 100.000 inhabitants is placing Romania below other Central and East European countries. The problem is that the analysis is based upon UNESCO data from 2003/2004⁵. The sharp increase in the last three years places Romania in a much better position. Secondly, it should be noted that 50% of the population is living in rural areas, with a lower demand for highly educated people. A more reliable indicator is the percentage of high-school graduates going to college. Using that measure 72.3% of graduating high school students joined the ranks of undergraduates, in 2004, (compared to only 61.1% in 2001)⁶ and the figure is increasing every year. A well known classification system for higher education was introduced by Martin Trow⁷: we

⁵ UNESCO-CEPES, Statistical Information on Higher Education in Central and Eastern Europe 2003 – 2004 mentions 2.856 students per 100.000 inhabitants.

⁶ Ministerul Educației și Cercetării, *Raport asupra stării sistemului național de învățământ*, București, 2005, p. 123

⁷ Martin Trow, “Problems in the Transition from Elite to Mass Higher Education”, in *Policies for Higher Education*, from the General Report on the Conference on Future Structures of Post-Secondary Education, OECD, 1974, p. 85

have an elite education system if less than that 15% of the entire generation are enrolled in higher education, mass education for 15-50% and universal access (for over 50%). In Romania 40.2% of the population between 19 and 23 years were going to college⁸ in 2004/2005 – already a mass higher education system, and approaching universal access.

While since Denison⁹ is widely accepted the existence of a relationship between educational and economic growth – a major argument for those favoring mass-education - this is not a linear one and it is highly sensitive to the context¹⁰. The number of students increases continuously all over the world – while economic growth behaves rather erratically.

There is a world-wide growth in the number of tertiary students, from 68 million in 1991 to 132 in 2004¹¹. The fastest growth was in less developed countries, the slowest in North America and Western Europe. Romania had a rate of growth of 350%, significantly greater than Central and Eastern Europe, which grew from 10 to 19 million of students.

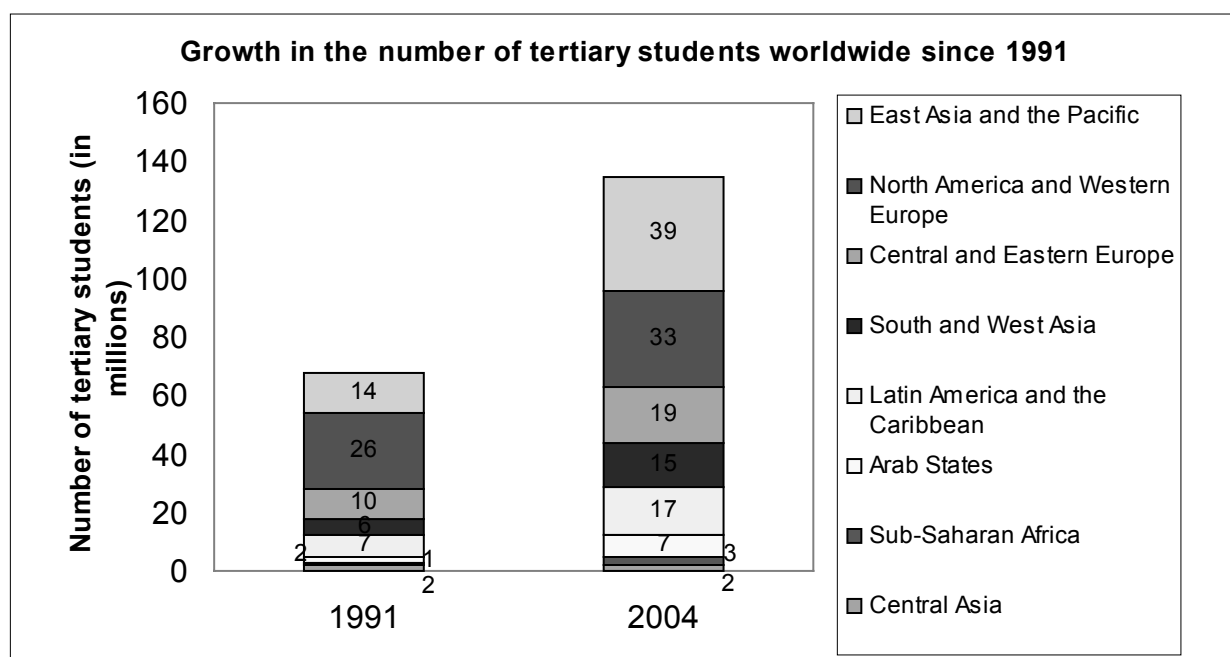


Figure 6: Growth in the number of tertiary students since 1991

2. Perverse effects of mass-education

Educational growth referring to increasing numbers of students and graduates has potential “perverse effects” (i.e. unintentional and adverse effects). Raymond Boudon, who introduced this term, was considering the situation in French Universities around 1968¹². The current situation in Romania is very similar in some respects. Main points of similarity are increases in numbers, lack of motivation, low control of the input flows, poor quality institutions.

⁸ Ministerul Educației și Cercetării, *op cit*, p. 118

⁹ Edward F. Denison, *The Sources of Economic Growth in the United States and the Alternatives before us*, Committee for Economic Development, 1962

¹⁰ Causality is hard to be assessed: education leads to development or development encourages education? What kind of education is more useful to development: primary, secondary or tertiary? All types of higher education and all domains are to be recommended? Are Science & Engineering the main drivers of economic development? These are only some questions still to be answered.

¹¹ Source: UNESCO Institute for Statistics database

¹² Raymond Boudon, “Instituții școlare și efecte perverse” in Raymond Boudon, *Efecte perverse și ordine socială*, Eurosong&Book, 1998, p. 83-165. The first version of the paper appeared in *Comparative Politics*, 1977

Motivation of students in mass-education currently is lower than in the case of past generations. A sharp increase in the student population will generate difficulties in absorbing the graduates into the workforce without generating individual losses. Boudon demonstrated that in 10 years (from 1962 to 1972) French graduates had less chances to obtain an upper position and more to obtain a lower one¹³. Even studies with a more favorable view on mass-education remark a decline in earnings¹⁴ which could have been bigger if the '90s were not a time of new technologies demanding for "new blood".

For Romania we have very little data. The fact that only 45% of the Romanian population associate getting a better education with financial gains may be significant. The situation of the graduates (bachelor degree) from "Babeş-Bolyai" University¹⁵ from 1997 to 2004 can give us an idea. The number of graduates increased every year, but the number of those who found a job before receiving the official diploma, a period varying from 1 to 2 years, decreased from 88.76% for the 1997 cohort to 72.22% for the 2004 cohort. The study mentioned as an explanation enrollment in master programs, but we should mention that most master students are either working or actively seeking a job. Another figure is of concern: the number of those working in their domain of study decreased from 91.7% for the 1997 cohort to less than 73% for latter graduates. Two factors can explain this trend: 1) discrepancies between demand and offer on the labor market, 2) graduates are more willing to accept lower clerical positions requiring higher education diplomas without any specification, formerly held by high-schools graduates.

A sharp increase in numbers will make future benefits thinner: both students and parents are realizing this. Accordingly, the importance of studies decreases and motivation is lower. An increasing number of students see higher education programs only as a method to obtain a diploma.

At the same time, there are several problems with the quality of studies:

- It is better to work with smaller numbers. Having 20, 50, 100 or even 800 students in a class makes a big difference;
- Facilities (classrooms, books, computers, etc.) are not suited for the large number of students Romanian Universities are employing in the present.
- There are not enough faculty that can offer quality teaching in fast-growing programs. Associate teaching staff or PhD students are not offering the same quality of teaching;
- More students mean a lower average quality of the educational process, slowing the pace and narrowing the scope of studies.

BBU is aware of the perils. The Strategic Plan for 2004-2007 states that "From the perspective of the logic of excellence, the massification process in higher education can be assimilated with the decrease of quality"¹⁶. The perceived solution is the application of the Bologna Declaration and of the Quality Assurance System. In the end quality will be obtained at the upper levels (master and PhD studies), BA programs being devoted to preparing as many students as possible. The logic of excellence should be combined with entrepreneurial logic. Such an approach may look good on paper, but has many weak points

As early as 1918 Thorstein Veblen has warned against such ideas. Veblen remarked that, "The net effect as regards the graduate enrolment - apart from any vocational instruction that may euphemistically

¹³ Raymond Boudon, *op cit*, p. 87

¹⁴ One example is Peter Elias, Kate Purcell, *Is Mass Higher Education Working? Evidence from the Labour Market Experiences of Recent Graduates*, National Institute Economic Review, nr. 190, October 2004, p. 60-74.

¹⁵ Universitatea "Babeş-Bolyai", interview with graduates at 1-20 months after graduation, promotions 1997-2006, internal study.

¹⁶ Universitatea "Babeş-Bolyai", "Babeş-Bolyai" University's Strategic Development Plan for 2004-2007, 2003, p. 3, <http://www.ubbcluj.ro/despre/plan-strategic.pdf>

be scheduled as "graduate" - is in all probability rather a decrease than an increase"¹⁷. Data seems to confirm that. The PA department had 1455 BA students in 2005 and only 80 at master programs. The increase in BA students was not followed by an increase in the number of master students. The situation is similar in many departments.

Numbers are not the main purpose of graduate studies, but quality, according to the BBU's Strategic Plan.. Another part of the Veblen argument was the low quality of mass-education graduates as masters students, something we are witnessing more and more each year. Graduate programs do not seem to work very well. There are many complaints that master studies are not treated seriously by both professors and students – a very weak attendance in classes, classes which are not held, many exams replaced by end-of-semester papers, dissertation papers that are not even at the level of undergraduate papers. For doctoral studies, the new Doctoral Schools are supposed to offer regular courses for the first year of studies - almost all of them were replaced by one or two meetings with the professors and marks are awarded on papers presented at the end of the semester. Even if this system's faults would be corrected there is another problem: in Romania the only degrees that have any value, in the eyes of the population, the students and according to existing laws, are BA's and PhD's. Master programs are not part of the Romanian cultural tradition, are "unknowns" in the eyes of the society at large and Romania does not have a legal framework that supports this type of programs. Therefore, many graduates are not even considering enrolling themselves in a Master program. There is no "pressure" for it: they have a diploma (so the requirements of both their family and of the society at large are fulfilled), a Master diploma does not give them any advantages on the labor market (certainly not in the private sector and very few in the public one) and, traditionally, Master programs are not highly regarded by the Romanian student population, with few exceptions.

The main problem with graduate studies is the effort to determine the public to accept them as a valuable level of post-university training and to convince employers that Master graduates have improved skills and abilities. Employment is made on basis of a bachelor degree. A master degree is seen as only a small addition to someone's qualifications and very seldom can replace the bachelor degree. Having a BA in one field and a MA in another means that employment chances are mostly in the first domain). For PhD studies we witness an increase in numbers but also an attempt to change the shape of the programs: several years ago, doctoral studies were individual studies, now they are changing to full-time programs. The population of doctoral students is not fitting the picture. We should expect young people, involved in the activities of the departments (teaching and research), but, for most of those paying fees we have older ones, with jobs and families, with a low degree of involvement and attendance in classes.

Undergraduate studies may be devoted to educate as many students as possible, offering to everyone the possibility to increase their knowledge. Offering smaller amounts of knowledge to a greater number of people can increase the mass of knowledge existing in the society. Yet, the demands still remain high. The former Rector and current President of the BBU, Andrei Marga wrote: "Learning should be displaced from the reproduction¹⁸ of knowledge paradigm to the problem solving paradigm"¹⁹. Yet, mass-education is better suited for the pursuit of the first paradigm. In the same time, if the goal is the increased mass of knowledge in society there are always life long learning programs.

Another dilemma faced by bachelor studies is about their character: should they be a specialized or a more general type of education? Should we insist on basic courses or go to advanced ones? In

¹⁷ Thorstein Veblen, *The Higher Learning in America : A Memorandum On the Conduct of Universities By Business Men*, Chapter VIII, Summary and Trial Balance, Huebsch, 1918

¹⁸ "Reproduction" understood as mechanical learning; a teaching system based on memorizing and producing , at demand, information.

¹⁹ Andrei Marga, *Universitatea "Babeş-Bolyai"; Dezvoltare și consolidare*, Cluj-Napoca, 2000, p. 60

the United States the average percentage of the overall graduation requirement composed by general education requirements dropped from 55 percent in 1914, to 46 percent in 1964, to 33 percent in 1993²⁰. The situation in Romania is worse, owing to the fact that the undergraduate level was a specialized one, and that the number of required classes decreased continually, at the beginning as an effort to promote individual study and, in recent years, due to Bologna process which made most bachelor studies of three instead of four years²¹.

“It is one of the unwritten and commonly unspoken commonplaces lying at the root of modern academic policy that the various universities are competitors for the traffic of merchantable instruction in much the same fashion as rival establishments in the retail trade compete for customers” wrote Veblen in 1918. This is true for Romania, after 1989.

Before the '90s the higher education market was a small and quasi-monopolistic one. Three major university centers (Bucharest, Cluj-Napoca, and Iași) and several small ones were the only choices. After the fall of communism the market started to diversify. Public universities were established in towns without or with little university tradition and private universities started to flourish²². At the beginning there was little competition between public and private sector. Public universities were working with state-subsidized students and those unable to obtain such a place (selection being made on basis of an admission exam) went to private schools.

Romania's economic crisis in the '90s made more difficult for the government to keep state subsidies at the same level. Also, after 1999 the number of places allotted for each university and each specialization stagnated. Financial problems brought public universities into the market. The numbers of paying students grew every year, creating competition.

This trend clashed with the selection principle. Many prospective candidates did not like admission exams, so other selection criteria were introduced like baccalaureate or high-school GPA. The problem with these selection indicators is that they are poor predictors of a student's performance. For PA student in 2001-2005 we can see no correlation between input (Baccalaureate – **Medie Bacalaureat** or Admission test – **Test admitere**²³) and output (GPA – **media ani studii** and Final exams Mark – **Media lic.**), while having inter-correlations for each categories.

At least some input-output correlation was expected²⁴. Being successful at a national Baccalaureate or to have the psychological traits of an apt candidate (as tested in the admission exam) should predict a good student.

²⁰ National Association of Scholars, *The Dissolution of General Education: 1914-1993* (Princeton, 1999), quoted in Martin Trow, *From Mass Higher Education to Universal Access: the American Advantage*, Research and Occasional Paper Series: CSHE.1.00, University of California, Berkeley, 2000, p. 5

²¹ This was enforced at the national level by Government Decision no 288/2004. Engineering, Medicine and Law were the main fields which kept unchanged the length of studies – domains in which a bachelor degree should be enough to work in the field.

²² In 2003 the number of accredited universities reached 110.

²³ The test was introduced as substitute for admission exams – it was basically a psychological test with no learning requirements. The format of that exam changed almost every year. In 2001 we had a 103 items test, in 2002 a much shorter one but with a broader scope. For the 2002-2006 we did not observe any correlation with Baccalaureate, and we came short of statistical significance in obtaining a weak correlation with GPA.

²⁴ For the USA “high school grades and SAT scores together are substantial and significant predictors of achievement in college” (W. Camara, G. Echternacht, *The SAT I and high school grades: Utility in predicting success in college*. College Board Report No. RN-10, New York: College Entrance Examination Board, 2000, p. 9)

Correlations

		Media lic.	Medie Bacalaureat	Test admitere	Media ani studii
Media lic.	Pearson Correlation	1	.036	.106	.421**
	Sig. (2-tailed)		.795	.436	.001
	N	56	56	56	56
Medie Bacalaureat	Pearson Correlation	.036	1	.367**	-.118
	Sig. (2-tailed)	.795		.005	.385
	N	56	56	56	56
Test admitere	Pearson Correlation	.106	.367**	1	-.057
	Sig. (2-tailed)	.436	.005		.676
	N	56	56	56	56
Media ani studii	Pearson Correlation	.421**	-.118	-.057	1
	Sig. (2-tailed)	.001	.385	.676	
	N	56	56	56	56

** . Correlation is significant at the 0.01 level (2-tailed).

Figure 7: Input-Output correlations

The Bacalaureate exam came first under a close scrutiny. While is supposed to be a national exam, there are many different types of Bacalaureate, comprising only Romanian language (written and oral exams) in all of them, the rest of the topics varying very much. Also allegations of fraud are not rare. The solution tried was to include high-school GPA as another criterion which is a measure of the efforts of a pupil through four years of study.

Still, we can observe that those two criteria are not independent. Data from the 2005 candidates in the PA bachelor program shows that between bacalaureate – **nota bac**- and high-school GPA – **medie ani liceu** – there is a strong relationship.

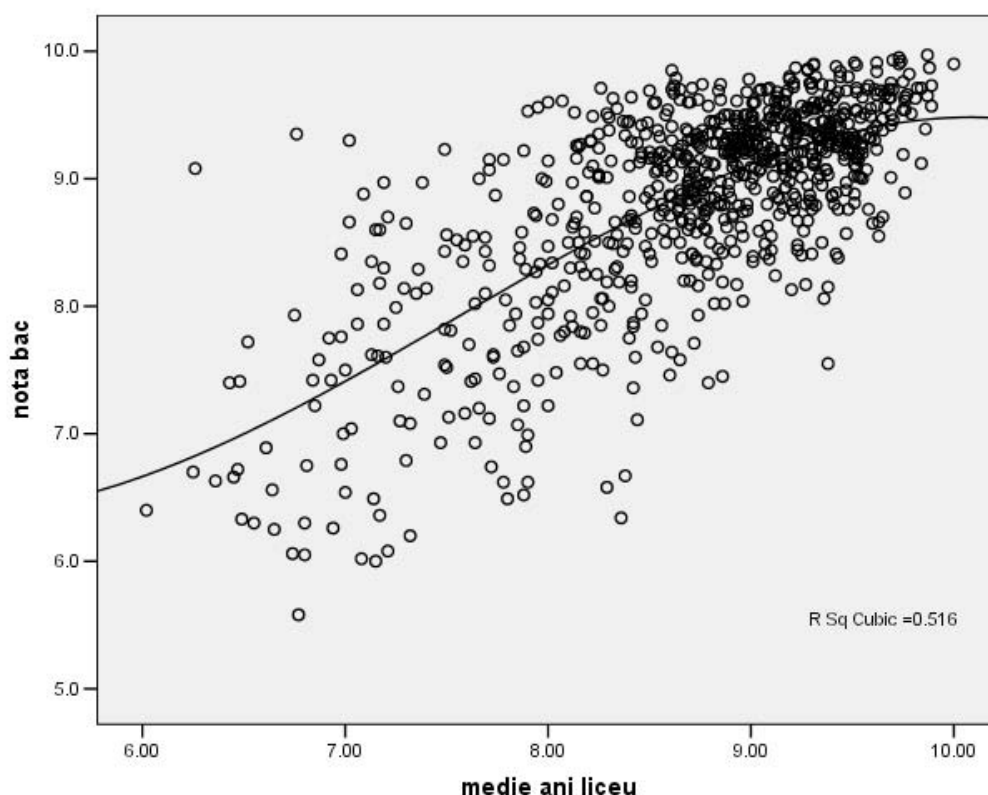


Figure 8: Bacalaureate and high-school GPA

Qualitative inquiry²⁵ gave us more answers regarding students' performance. The main factor of success for PA students was motivation: motivated students worked harder. Different levels of motivation between students and at different moments in their studies were seen by them as the best explanation for their output.

Selection is one motivating factor – ease of access to higher education is a de-motivating factor. Also, mass-education systems make bachelor degrees an obligation, not a privilege or a reward. The actual system of selection has serious perverse effects: in order to maximize the chance of getting subsidized places candidates are trying to apply to as many programs as possible and are making the decisions where to apply as late as possible.²⁶ The consequence is that only a small percentage of students can be described as dedicated students²⁷.

Mass or universal access has also resulted in a higher proportion of students working full or part-time. From PA freshmen in 2005 21.3% are sure that they will have a job during college and 64.9% consider it as highly probable²⁸. But working people do not make the best of students, the time devoted to work being taken mainly from study not from free time²⁹.

Distance learning programs grew steadily. In Romania this form of education started in 1999/2000 with 9946 students, reaching 88505 in 2004/2005³⁰. Started at first as an opportunity for those already working to complete their education it grew into education for everyone, including people who just finished high-school and had not started to work. In its basic form distance learning means that students receive materials to study, can meet with their professors twice a semester and will come again to school to give exams. Some programs did eliminate all contact with professors and school, making everything electronic. For universities this type of education is less costly and creates a new source of income for staff. Quality is, inevitably, lower. In the last four years at the final exams in the PA department, BA program distance learning graduates rated between 1 and 1.5 points lower than full-time students at the final exams.

Stiff competition between universities created another unintended effect. Private universities had to decrease their fees. One could obtain a bachelor degree by paying 300 Euro a year (900 Euro until graduation in most domains of study). At this price we can hardly expect to have quality.

BBU's financial problems are far from being solved. After years and years of recruiting efforts, the main source of income is still from the Ministry of Education. In 2005 income for BBU from state-subsidized students was 21.5 mil. Euro and from student fees was only 14.2 mil euro³¹. In the entire Romanian higher education system the government is subsidizing 34.2% of the students, with a sum which starts at 600 Euro/year for less costly studies (like humanities). No doubt that this amount

²⁵ As resulted from a research made in 2005 in the framework of the Research Seminar course, Public Services Management Master Program 2nd year

²⁶ In 2005 freshmen from PA program applied up to four different universities and up to five different programs (an average of 2.5). Only 22.3% applied only for this program. 44% choose PA only one week before admissions as opposed to 19.4% who made the decision more than one year before. See Sorin Dan Șandor, Ciprian Tripon, *op cit*, p. 79

²⁷ An example can be illustrative: in 1998 the Political Science Department introduced for the first time Baccalaureate as the only criteria for admission, dropping admission exams. A huge number of applications were made, in the end being admitted 40 students with very high Baccalaureate grades. In 2002 less than 15 graduated, the rest being dropouts.

²⁸ *ibidem*

²⁹ Lous Lévy-Garboua, "Les demandes de l'étudiant ou les contradictions de l'université de masse", *Revue Française de Sociologie*, XVII, 1976, p. 53-80

³⁰ Source: Institutul Național de Statistică, *Romanian Statistical Yearbook*, 2005

³¹ Universitatea "Babeș-Bolyai", *Raport financiar Report 2005*, Annex 10, in Universitatea "Babeș-Bolyai", *Buletin Informativ*, nr. 6, Februarie 2006, p. 15

could have been greater if the pressure from high enrollment did not occur, especially in times of serious budget constraints. A similar trend happened world-wide: higher education got into a serious financial distress due to stronger demand and limited government support, determining the World Bank to declare in 1994 a “crisis throughout the world”³².

3. Reforming universities

A substantial wave of reforms in higher education is happening world-wide. Universities, traditionally seen as academic communities with collegial forms of governance, are trying to transform themselves into market-oriented and entrepreneurial organisations, like corporations.

Still, the demands are not changed. The Humboldtian model of university³³ saw creating and transmitting knowledge as its ultimate goal. Currently we rephrased it: universities have “special roles to play as creators of new ideas in their research function and as producers of human capital capable of exploiting those ideas in their teaching function”³⁴. A third role for universities has begun to emerge: that of an economic enterprise creating jobs and revenue for the society.

3.1. Ideas and models for reform

Before trying to analyse reforms we should see what models are considered by decision-makers. Declared or not, most influential models are coming from the United States’ top universities. Romanian universities dream of being “Romanian Harvards”. While is always good to look at the best, we should take all the factors into consideration.

At this moment comparisons are hard to make. According to Shanghai rankings Harvard is number one and Romanian universities are not in top 500. BBU seems to be in the 700-800th range³⁵. There is a significant difference in quality of professors, graduates and students. From the financial perspective the situation is radically different. Harvard has a revenue of 3.0 billion US\$³⁶, BBU 48.8 million Euro, more than 50 times less. The structure is very different. Harvard’s budget comes 31% from endowment income (endowment reached a value of 29.2 billion US\$), 21% is student generated income, 21% sponsored research support, 15% other income, 7% current use gifts and 5% income from other investments. BBU has 74% student generated income (60% of it from state subsidies), 13% other state transfers (mainly social protection scholarships for students), 10% other income and 3% (more exactly 2.6%) from research.

Higher education reform is highly influenced by neo-liberal ideas, mainly by the New Public Management ideas³⁷. Education is seen more and more as any service, subject to market and competition, in which efficiency and customer focus are the key words. New Public Management has been very influential in public services reform in the last decades³⁸.

But, after 20 years of public administration reform, the conclusions are not very positive: there is little proof of reforms being successful, there is no universal panacea for the problems, many reforms

³² The World Bank, *Higher Education: Lessons of Experience*, 1994, p. 1.

³³ Developed during the 19th century this model allowed professors to pursue their own research interests in return of devoting time to teaching; also the model is characterized by self-governance.-

³⁴ David Laidler, "Renovating the Ivory Tower: An Introductory Essay," in David Laidler (Ed.). *Renovating the Ivory Tower: Canadian Universities and the Knowledge Economy*. C.D. Howe Institute, 2002, p. 708

³⁵ Universitatea “Babeş-Bolyai”, Buletin informativ, nr. 30, Octombrie 2006, p. 6

³⁶ Harvard University, *Financial Report to the Board of Overseers of Harvard College*, Fiscal Year 2005-2006, p. 2-7

³⁷ Under this name we can find a lot of models and measures intended to reform the public sector. Main drives are towards efficiency, making the public sector more business-like, downsizing and decentralization and customer-orientated.

³⁸ “Perhaps never before have so many governments tried to change so much so fast in such similar ways.” – Donald F. Kettl, *The Global Public Management Revolution: a Report on the Transformation of Governance*, Brookings Institute, 2005, 2nd ed., p.60

had serious side-effects (like managerial empowerment leading to loss of accountability). Even a proponent of this wave of reforms, OECD recognizes that “in many countries they [the reforms] have not lived up to expectations or have unintended consequences such as negative effects on underlying governance values and capacity”³⁹.

As a conclusion, we can say that mechanically applying NPM-type of reforms in higher education, regardless of context, will only generate an entire host of unforeseen and unexpected problems, far from solving the initial ones.

3.2. University research

Research is seen as a main source for diversifying revenue sources for universities. Still, in Romania, the main source is still the state which wants to support the role of higher education as provider of knowledge.

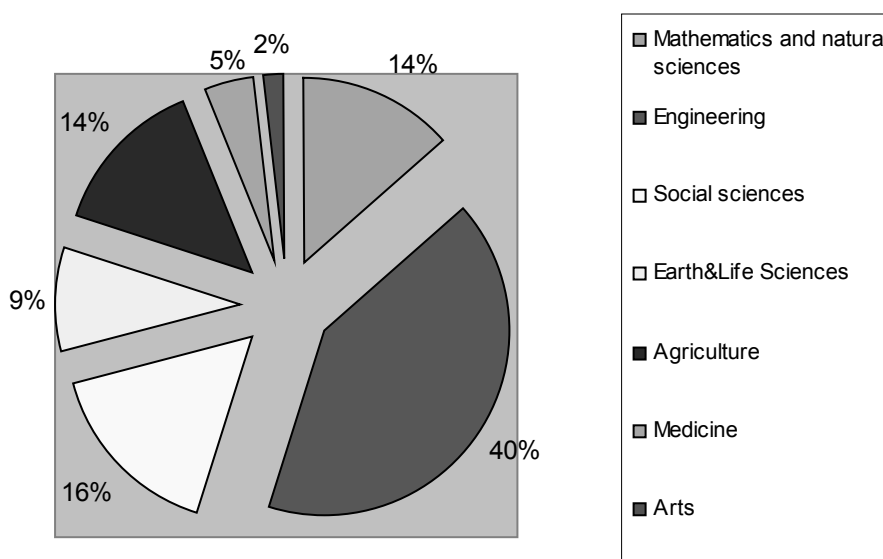


Figure 9: Government grants by domain (2005)

Research grants are going mainly to Science & Engineering, Social Sciences receiving a good share of the total. Total amount of money had reached 90 millions Euro in 2005⁴⁰, a quite small amount⁴¹, for which universities and research institutes outside universities are competing. Other sources are less available. Romanian researchers received in 2005 grants from European research funds (like FP6 and Euratom) in the total value of only 34.3 mil. Euro⁴².

The results of these grants are hard to assess. Production of knowledge can be assessed in terms of scientific articles in prestigious journals. Only 7% of articles published by Romanian authors in 2004 and 2005 are mentioning such grants as compared to 38% European or North-American grants⁴³. The number of patents obtained as a result is unknown, but chances are the percent is not a significant

³⁹ OECD, *Modernising Government: The Way Forward*, OECD Publications, 2005, p. 201

⁴⁰ Autoritatea Națională pentru Cercetare Științifică, *Raport Anual 2005*, p. 26

⁴¹ Romania’s percentage of R&D budget appropriations in GDP is very low: in 2003 was 0.16, while in UE-25 was 0.76. See Autoritatea Națională pentru Cercetare Științifică, *Raport Anual 2005*, p. 43. The Lisbon Agenda has a target of 1% by 2010 in all EU countries.

⁴² European Commission, DG Research, November 2005

⁴³ Alexandru Corlan, Răzvan Florian, *Surse de finanțare ale studiilor științifice românești*, în *Ad Astra* 5(1)/2006, www.ad-astra.ro/journal

one. Universities did not report in the last year significant number of patents (BBU had obtained 55 patents in the period 2001-2003⁴⁴).

It is very hard to assess the income BBU got from research. Figures and percentages are varying for every year and much more according to different sources. The BBU strategic plan⁴⁵ claims that in 2002 25% of the budget came from research, the Department of Research-Innovation-Development estimated in 2006 the contribution of research at only 15%⁴⁶, while the BBU Financial Report reports a much lower figure, 2.6%. The latter might be the correct one. The BBU's Research Strategy Research (2005-2010) adopted in 2004 reported similar values of research grants in 2001-2003. A possible explanation for the more favorable reports can be the confusion between the total amount of the grant (most of them being multi-annual) and the annual income from research.

With only 2.6% of revenue coming from research is hard to say that we have a real diversification of income. Research provides only a small part of the needs and contributes very little to the visibility of the University.

There is also little indication about BBU's contribution for the community. A study co-sponsored by the BBU⁴⁷, while designed as a case study of an entrepreneurial university, did not succeed in providing solid proof of a significant impact of the university.

Fundamental or applied research and community involvement are competing with the first mission of the university: education. Time is the major constraint: it is hard to have someone teaching an increasing number of students while doing more research. In other countries teaching assistants take a great part (if not all) of the undergraduate teaching load –at BBU senior academic staff is seriously involved in undergraduate programs.

Another challenge for Romanian universities (and not only) is to convince their staff to conduct lucrative business through official structures – it is not uncommon for academics to run programs through private firms or NGOs. The reasons vary from better payment to cutting university's red tape. BBU is trying to encourage entrepreneurial spirit within the university (basically the administration will take 30% of the value of the contract – the rest being at the discretion of the “entrepreneur”), but there is still a considerable amount of red-tape, derived from the public status of the university.

3.3 Reform of Governance and Personnel

The image of universities as academic communities pursuing knowledge and being run collegially is far from reality. As any ideal model, it does not fit any particular university, but the governance of many was inspired from it.

Now this model is under serious challenges. Since the '70s universities have become less and less collegial bodies of professors, other types of staff and students being involved in decision-making. Another trend was to involve major stakeholders in university boards. The administration grew in size, giving management positions more control. While some of them are occupied by non-academic staff, jobs like rector, president, chancellor, dean or head of department are usually held by full professors.

Organizational reforms tend to put emphasis on greater role for management and to reduce collegial decision-making. The drive for efficiency usually brought centralization of power, while the drive for quality was accompanied with decentralization.

⁴⁴ Universitatea “Babeş-Bolyai”, “Babeş-Bolyai” University Research Strategy Research (2005-2010) adopted in 2004

⁴⁵ Universitatea “Babeş-Bolyai”, “Babeş-Bolyai” University’s Strategic Development Plan for 2004-2007, 2003, p. 14, <http://www.ubbcluj.ro/despre/plan-strategic.pdf>

⁴⁶ Universitatea “Babeş-Bolyai”, Buletin Informativ no. 30, October 2006, p. 15

⁴⁷ Paul Şerban Agachi, Stela Andrei, Romana Cramarenco, Marcel Ciprian Pop, Carmen Loredana Pop, *The Babeş-Bolyai University and the Interaction with its Environment*, in Universitatea “Babeş-Bolyai”, Buletin Informativ, nr. 37, Decembrie 2006, p. 31-37

The loss of control over their own universities is only one of the things academics fear. They are increasingly treated as regular employees. Some of the changes in the traditional role of academics are:

- Separation of education and research;
- No tenure;
- Part-time appointments;
- Higher workload;
- Higher performance standards and requirements.

In Romania before '89 the system was highly centralized, with the Ministry of Education holding a tight control over universities. Afterwards, things were more and more decentralized, universities gaining an autonomy comparable with Western Europe states. While education laws could have been over-regulating different aspects of the functioning of universities (especially the public ones), universities had considerable autonomy.

The governance of universities is tributary to the collegial model: having the Senate to rule the university, Councils to govern Faculties and Department meetings to decide on department's business. Rectors, deans and department chairs are mainly executive positions.

In practice, the system functions quite a bit differently. Autonomy allowed some universities to transfer some of the decision-making power to Councils of Administration (composed by academic and non-academic managers); also a new President position appeared⁴⁸, the Rector becoming more like a vice-chancellor or provost.

Executive positions generally have more importance than stated in the law. Elected bodies are usually restricted to duties requested by the law (like confirming new academic appointments), many business decisions being made by the executive. More than academic governance we have a political and/or bureaucratic one.

Academic careers are starting usually very early: most started as teaching assistants (with tenure) after getting their bachelor degrees. The competition is usually low at all levels, and nonexistent for higher positions (basically we are speaking about promotions). A Romanian academic usually spends his/her entire career in one institution, in the same department. Workloads are established according to the law. The national payment scheme for public universities is based on title and seniority, only recently has performance been taken into consideration.⁴⁹

These personnel policies are not very efficient. Many shortcomings can be mentioned: recruitment is based mainly on the professor-assistant relationship, leaving space for hiring on non-professional grounds, promotion is seen as a natural right, without comprising many obligations (regulations demand a specific number of publications for each academic degree, since 2005 obtaining or participating in research grants was added), performance assessment – and payment – is not stimulating⁵⁰, merit system is a distant goal, “promotion” being conditioned by working experience.

In October 2006 a new draft of the Higher Education Law was put in public debate. A significant change is proposed.

- The mission was rephrased: to create and transmit knowledge which receives practical value by offering qualifications for the workforce market.

⁴⁸ One significant drive for this being the law prohibiting rectors being elected more than twice. In 2004 many universities had rectors in this situation – they become presidents.

⁴⁹ And only in very few universities.

⁵⁰ There are many cases of wrong assessments: either when a department has a lot of resources everyone gets a very good assessment, or when resources are low everyone gets bad assessments, sometimes full professors got higher assessments and teaching assistants got low ones, in other cases loyalty to management was the main factor taken into consideration.

- The academic community comprises now students, teaching personnel, research personnel, auxiliary and administrative staff.
- Universities will have to choose if they want to be teaching and/or research oriented.
- In terms of governance major changes are proposed. We have deliberative and executive bodies. The Board of Directors is handling mainly administrative and financial matters, the Senate, the academic ones. The Board of Directors is supposed to include new stakeholders. Out of 7 members 3 are nominated by the Senate, 1 is representing the unions and 3 are nominated by the Ministry of Education at the proposal of representative scientific or professional associations. Executive positions: rector, vice-rector, dean, chair are open to competition and open only to full professors. The Rector is confirmed by the Senate but negotiates his/her contract with the Board of Directors. Other executive positions have to negotiate performance-based contracts with the rector.
- Personnel policies underwent several changes: the number of academic positions is reduced from 5 to 3, hiring is approved by the Senate and the Rector, Assistant Professor and Professor positions are no longer approved by the Ministry of Education (the Ministry of Education is still imposing the requirements for Professor positions and is naming 3 out of 5 members of the selection committee). Tenure is no longer required and workload is negotiated with the dean or the chair.
- Public funding of higher education studies are realised through grants. The Ministry of Education is to establish the number of grants by domains and cycles (bachelor, master, doctoral) and distribute them to universities based on quality and institutional capacity. Each university will allocate those grants to programs and cycles according to their own strategy⁵¹. Each university will establish the costs for each program.
- Universities are encouraged to diversify their source of income, being allowed to establish their own lucrative businesses.

The draft incorporates a serious managerial approach, keeping some elements of the older model of governance. While executive positions become managerial ones – in what concerns their attributes and powers - they are open only to full professors. The Board of Directors is seen as a threat to the autonomy of universities - having the presence of three members appointed by the ministry; also there might be some interference with the Senate. The new organisation is claimed to be a matrix and a flexible one. A matrix organisation should be characterised by the existence of links between all parts, but in the draft we have indications only of stronger hierarchical links.

The draft did not eliminate some of the confusions between a Faculty (comprising several departments) as administrative unit and Departments as academic units. The Faculty is administering study programs (and in other part of the draft owns programs) while departments should only to initiate those programs. The reality is that Departments are running the programs, even considering many administrative aspects, the responsibility of the Faculty being more of a financial one. The draft is recognising programs of study as basic financial units, but keeps the Faculty as an intermediate (and not always necessary) link.

Faculties and Departments should have their own regulations, but something is missing: a more democratic governance is easier to establish and maintain at this level. Instead of bringing more deans and department chairs under the authority of the rector, more voice should be given to people working in the programs: “One of the genuine challenges for any head of institution is

⁵¹ The mechanism is not very clear: till 2006 the Ministry was establishing the number of subsidized places for each program in each university. In 2006 universities had a total amount of places and were free to divide them according to their strategy. It is hard to understand how the national strategy (the case till 2006) will be harmonized with universities’ strategies (the case of 2006).

to ensure there is a balance between managerial accountability and giving a say to the academic community”⁵².

As many organisational theorists are claiming, any organisation composed by highly skilled professionals should be based on small teams, more democratically ruled, thus becoming a true matrix organisation, with a low degree of formalization and decidedly decentralized.

The draft tries to impose some managerial aspects in universities, but is hard to assess the possibility of success. Most of the shortcomings of Romanian universities are not coming from lack of authority from rectors (or presidents), but from poor management and lack of staff motivation. Thus, even if a managerial approach is/could be beneficial, transforming universities into hierarchically-structured and oriented, corporate-look-alike organizations could undermine one of their main characteristics: autonomy at lower levels that enables creativity and innovation. Clear managerial rules and policies are good only as far as they do not interfere with or subsume the main activities of the organization.⁵³

Second, the draft is not successful in recognising particularities of each university and program of studies. Each has another type of accountability, maybe a different definition of quality and other ways towards efficiency.

A university is a very complex system offering different programs in different ways at different levels of quality. The quality debate is generally focusing on universities as a whole, instead of taking into consideration programs. In terms of orienting the prospective candidates towards the best universities (as the public funding proposed) it is better to try to orient them towards the best programs.

4. Conclusions

This article attempts to underline the fact that the issue of “higher education reform” has at least a few main topics that are intimately interwoven, thus greatly increasing its complexity: massification of higher education, quality of education, financial issues, research and community focus, labor market demands, autonomy (within universities and throughout the national education system) in what regards reaching individual institution’s goals and performance evaluation.

OECD drafted in 2006 four future scenarios for higher education:⁵⁴

1. **Open Networking:** higher education is very internationalised and involves intensive networking among institutions, scholars, students and other actors such as industry;
2. **Serving Local Communities:** higher education institutions are focused (or refocused) on national and local missions. They are embedded in their local and regional communities, and are dedicated to addressing local economic and community needs in their teaching and research;
3. **New Public Management:** higher education is primarily publicly funded, as is currently the case, but there is a greater focus on the use of “new public management” tools, including market forces and financial incentives;
4. **Higher Education Inc.:** higher education institutions compete globally to provide education services and research services on a commercial basis.

Romanian approach is basically characterised by enforcing a unitary vision on higher education, focusing on how effectively each institution does the job, but neglecting the fact that each university can have a different goal and a different accountability. Second, the mission of the higher education

⁵² Maurice Kogan, S. Hanney, *Reforming Higher Education*, Jessica Kingsley, 2000, p. 195

⁵³ This statement is true only if we hold with the idea that universities are not factories that produce graduates on an assembly line. If we take the “mass education” model to its logical and unavoidable conclusion though, the model is perfect for “factorversities”.

⁵⁴ OECD, *Four Futures Scenarios for Higher Education*, Meeting of the OECD Education Ministers Higher Education: Quality, Equity and Efficiency, 27-28 June 2006, Athens

system is not fulfilled by one institution, but by a mix of different institutions (including industry, government institutions, NGOs which can offer certain types of education or research).

This NPM approach neglects the fact that some universities are best designed to serve local communities, that too tight a system will make networking more difficult, and that there are serious chances to have foreign universities opening branches in Romania – making the competition more fierce.

Managerial or entrepreneurial ventures are not always the best solution. The president of Harvard University Derek Bok warns⁵⁵ that while entrepreneurial universities may occasionally succeed in the short term, only those institutions that vigorously uphold academic values, even at the cost of a few lucrative ventures, will win public trust and retain the respect of faculty and students. Otherwise we could witness universities becoming ‘series of individual faculty entrepreneurs held together by a common grievance over parking’⁵⁶.

Mass-education has its shortcomings and its strong points (...). Nevertheless, adherence to this model should be tempered by:

1. The real status of the higher education system in that society, in all its dimensions (BA, Master programs, Doctoral programs, research);
2. Thought given to what the mission of that particular university is perceived to be;
3. Analysis of the real situation of the labor market.

The concept of “elite education” is not intrinsically bad as the concept of “mass education” is not right/good in and by itself. A national system of higher education needs both and it is for every university to decide which road it wants to travel⁵⁷. There are general guidelines; quality of education, performance-oriented university policies etc. but the specific ways in which these are operationalized and employed should be left for individual universities to decide.

The reform debate includes values like efficiency, accountability and quality. Different definitions or meanings were offered for each, different patterns of interactions between those were prescribed. As in the case of the NPM debate, there is no universal panacea, all solutions should be contextual. Each university can find a way to improve, given the right stimulus and with respect to the specific of academic activity. Education is an activity more linked to values than others, but in which members should be upholding their own values as a basis of institutional values. Leaving management to define and to impose values can bring only financial success.

Universities are changing. The image of the ivory tower is no longer there. We must restrain ourselves from replacing that image with that of trading posts or sweatshops for academics. Educational needs are more diverse than ever: there is demand for elite and universal education, for qualifications as for solid education, for fundamental or applied research. We should keep any kind of regulation as simple and as flexible as possible in order to let universities fulfill all those needs alone or in co-operation with other agents.

⁵⁵ Derek Bok, *Universities in the Marketplace, The Commercialization of Higher Education*, Princeton University Press, 2003

⁵⁶ Clark Kerr, *The Uses of the University*, 3rd edn, Harvard University Press, Cambridge, 1982, p. 20

⁵⁷ As proven by the German newest approach: until recently German policy concerning higher education was mainly egalitarian – in the postwar era – with no room for elite institutions – see Aisha Labi, *Germany Awards “Elite” Status And Extra Funds To Three Universities*, *The Chronicle of Higher Education*, October 2006

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