

International Conference
White Paper and Beyond: Tertiary Education in the Czech Republic

Wrapping up and the main conference message
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Introduction

I am delighted to provide a summary of what I see as the main conclusions from the Conference. It is a challenging task but I hope I will be able to do justice to the rich discussions which took place in the last two days.

The OECD is very pleased to be of assistance in a reform process of this significance – through the provision of an input of a specific nature to the internal debate: an independent, external perspective with no vested interest based on research evidence and using a comparative framework. This was done through the OECD Thematic Review of Tertiary Education and is currently being done through the Response to the White Paper by an OECD-led team.

The reflections I will now offer, however, are not to be interpreted as views of the OECD on the current reform process. And they are certainly not to be associated with the views of the panel the OECD formed to respond to the White Paper – of which I am not part. These are simply remarks I offer about the discussion held at the Conference – as an analyst in the area of tertiary education policy. They neither reflect a in-depth analysis of the White Paper nor an investigation of the associated political economy of reform.

I will start by noting that the Conference reflects the fact that tertiary education policy is increasingly important in national agendas. Substantial reforms are taking place in tertiary education systems mainly aimed at encouraging institutions to be more responsive to the needs of society and the economy. This has involved a reappraisal of the purposes of tertiary education and the setting by governments of new strategies for the future. It has also involved more room of manoeuvre for institutions but with clearer accountability for the institutions to society.

Four key ingredients to reform in tertiary education were particularly visible at the Conference:

(1) Ensuring that policy development is driven by evidence

It is clear that the current reform in the Czech Republic has had the concern to be informed as far as possible by evidence. This includes its active involvement in the OECD Review, the research basis on which the White

Paper relies, and also the care to bring to the debate prominent researchers and analysts such as Nicholas Barr, Bruce Johnstone, Pamela Marcucci or Alex Usher.

But evidence does not provide the answer to all policy questions – this was well illustrated by the debate between Profs. Barr and Johnstone on matters of detail such as the role of parents and deferred fees. Economic theory and empirical evidence provide valuable directions, in particular in the area of funding, but there is still much room for other dimensions such as the political one.

(2) Building consensus through wide consultations, confronting different views

The conference itself was an opportunity to bring together some stakeholders with different interests. This reflects the importance of explaining the rationale for reform, communicating its benefits and, at the same time, the costs of inaction. But it also shows the importance of recognising the different views of stakeholders and take them into account in iterative policy development. This was illustrated in the contributions of both the Czech Rectors' Conference and the Council of HE Institutions.

(3) Placing the discussion at an international level and learning from other countries

In an increasingly global and competitive environment, peer-learning and international perspectives gain strategic value in the policy making process. It is important not to be too inward-looking when considering alternative policy options. It is all too easy, in reviewing a single system, to be over-impressed by its internal logic and to see too many characteristics as over-determined by national history and tradition and by apparently irreversible current trends. Contrasting national practices with those of other countries facing similar situations and constraints can enlighten the national debate by showcasing interesting initiatives in different countries. This was evident through the account of the experiences of Denmark, Poland, Hungary and the Slovak Republic as well as in the references to Austria and Finland. The cases presented illustrate the range of possible approaches to reform in tertiary education: steered voluntary process with consensus building in

Denmark, incremental reforms in Hungary and the Slovak Republic and reforms mostly led by the academic community in Poland.

(4) Capitalising on the experience of Czech scholars with experience abroad

The Conference also illustrated the particularly valuable role which can be played by distinguished Czech scholars who have worked or are working in leading world universities – the ability to translate international experience in light of Czech tertiary education traditions and national experience. This was well illustrated through the contributions of Rudolf Hanka and Jan Svejnar this morning.

Outline:

- 1 – Antecedents and motivation for reform
- 2 – Points of agreement
- 3 – Points of debate
- 4 – Main message

1 – Antecedents and motivation for reform

Czech tertiary education has changed remarkably over the past two decades:

- Successful return of the Czech TE system to the Humboldtian model of university education and research.
- The system has responded successfully to the rapid growth in demand.
- It has put in place a framework of governance and accreditation.
- The legal Institutional autonomy is established, with guarantees of academic freedom and self-government.
- Developments also included the expansion of higher educational pluralism in terms of types of institutions (*e.g.* private universities; post-secondary professional schools).
- Reintroduction of research into universities.

In some other important respects the process of modernisation is incomplete, and some of the major requirements of a system responsive to societal needs are not yet in place.

The key challenges for the system to address and which motivate the reform appear to be the following:

- The tertiary system is mostly academically driven and inward-looking, and hence insufficiently responsive to the diverse needs of the present-day economy and society and to emerging labour market demands; The processes by which it is governed, and the values and culture from which these processes are derived, are primarily internal and institutional rather than those of societal needs.
- The tertiary education system exhibits little differentiation.
- Both programme offerings and curricula are supply-dominated and links with the labour market are weak; partnerships with business and industry are limited in R&D, constraining the innovation potential of TEIs.
- There is a weak integration between universities and the non-university sector.

One of the distinguishing features of the Czech tertiary system is the difficulty it has had in assimilating non-university tertiary education. In practice, an integrated tertiary education system does not exist. The university system and the non-university sector (namely the post-secondary professional schools) are in fact virtually isolated from each other – in terms of strategy, policy design, tradition and procedures.

- The academic labour market is much less open and competitive than in other countries, and there is little academic mobility.
- Although the wage premia for graduates are large, the extent to which graduates contribute to the costs of their tertiary education is limited; there are concerns about the financial sustainability of tertiary education.
- The student support system is insufficiently developed.
- Institutional management and governance are weak and the provisions for external involvement are underdeveloped; and the input by employers/industry/trade unions to tertiary education policy appears to be limited.
- There are significant concerns about the equitable provision of tertiary education.

2 – Points of agreement

There are a number of directions for policy which receive a great deal of support:

1. A basic reform of tertiary education is needed, partly related to its financial sustainability and some inefficient use of resources.
2. The need for the development of a comprehensive and coherent vision for the future of tertiary education agreed with the relevant stakeholders.
3. Achieving the integration of the tertiary education system with agreement on the distinctive missions and contributions of the universities and post-secondary professional schools (with possible mergers among the latter). I should note, however, that the objective of integration itself was not quite achieved at this Conference.
4. Fostering the further diversification of the educational supply to better meet the strategic goals of the system, including through the expansion of professionally-oriented short-cycle programmes and provision for part-time and mature students.
5. Ensuring the outward focus of institutions including fostering links to businesses and employers.
6. Maintaining and increasing funding likely requires the introduction of tuition fees along with a comprehensive student support system; and that institutions must be able to immediately receive the fee payments.
7. Strong support for developing the student support system
8. Equity issues are to feature prominently within tertiary education policy and there should be close links to reforms within secondary education. This is refreshing.
9. Accreditation has restricted diversification and innovation; has created an imbalance between demand and supply in the academic labour market;

and it works against institutionally-based focus on quality and its assurance. It must be fundamentally reformed.

10. Improving knowledge flows between tertiary education and the other actors of the R&D system. And here I note the seemingly absence of the Academy of Sciences in the reform process.

3 – Points of debate

In some other areas further debate is needed to reach consensus:

- Reconciling the broader priorities as perceived by society and the priorities of individual institutions

There is a tension between the pursuit of knowledge generation as a self-determined institutional objective and the statement of national priority as defined in the aims and goals of the tertiary system.

Related to threats to ‘academic freedom’: Academic freedom is, according to some groups, under threat partly because institutions are under pressure to use public funds to the benefit of society as a whole. This calls for a re-conceptualisation of academic freedom and self-governance, which are often confused.

In this respect, I should note the observations this morning about how the concept of academic freedom might differ depending on the context in which it is placed. Arrangements which are perceived as guarantors of academic freedom in one context might as well be perceived as threatening academic freedom in other contexts.

- Finding the proper balance between governmental steering and institutional autonomy

The challenge is to introduce a new relationship between governments and TEIs so that institutions are accountable for their performance, but given sufficient autonomy in the direction of their own affairs to be dynamic and creative. There is possibly an emerging agreement about the need to establish a performance-based contractual relationship between the state and institutions.

- Reforming institutional governance arrangements to respond to external expectations.

There are significant differences of opinion on how to reform institutional management. There is disagreement in relation to the strengthening of powers of the Board of Trustees – general mistrust within institutions.

There is also some reluctance from academics in concentrating more authority in offices such as the rector or the dean – the role of academic self-governance is perceived as an important value. However, as noted by the OECD team, good governance requires the alignment of power and responsibility – which might not be currently achieved within Czech institutions.

There are also reservations – and also misconceptions - about giving external members of boards executive powers. There are issues of lack of tradition of and interest from external stakeholders. But at this conference we had a very good example of how external views can be refreshing and provide a whole different paradigm on which to regard the mission of tertiary education – I am referring to the presentation of Jan Mühlfeit, Chairman Europe, Microsoft Corporation, and his views about the centrality of skills rather than jobs.

At the same time, there are also concerns about the current delegation of authority to faculties. There are issues about it potentially hindering the strategic management of institutions (*e.g.* creation/closure of organisational units, cross-faculty collaboration). This is a central issue in the Czech Republic. In general, the distribution of decision-making responsibilities and the degree of (internal) institutional fragmentation are important factors conditioning the extent to which co-ordinated change in as well as of higher education organisations is possible or likely. As one of the presenters noted this morning, the dual representation of institutions is peculiar. Institutions speak with different voices which reflect different vested interests.

- Reservations about the creation of the council for tertiary education, in particular its role in proposing nominations for members of the boards of trustees – not clear it should combine national level strategic governance and direct interference on institutional strategic development (as indicated

by the OECD team responding to the White Paper). The composition of the Council need further thought and consideration.

- There appears to be a potential reluctance to reform the academic career.
- One particular group also noted that consultation procedures as well as the consideration of stakeholders' views were insufficient in the development of the White Paper.

These points of debate emphasise the importance of searching for consensus or compromise over elements of reform. In this context, possibilities are:

- The option of gradual adjustments as opposed to complete overhauls of existing practices.
- Avoiding reforms whose costs are concentrated over a limited numbers of stakeholders while gains are too widespread to generate strong support by beneficiaries.
- Identify potential losers from tertiary education reform and build in compensatory mechanisms.

4 – Main message

The priority today is to ensure that the Czech Republic has a tertiary education system that is able to function effectively in an increasingly competitive European and international higher education area, and that contributes to the development of the Czech Republic in the context of the knowledge society.

Agreed objectives for tertiary education in the Czech Republic include the need to enhance relevance, expand the vocationally-oriented sector, ensure its financial sustainability, improve equity, and develop the innovation potential of tertiary education institutions.

However, disagreements persist on critical aspects of how to reach these objectives. These include how to find the proper balance between governmental steering and institutional autonomy and the approach to reforming institutional governance.

When considering further developments, it needs to be borne in mind that reform will only be successful if a common vision is established, a wide consensus is reached and a collective ownership of the process emerges. In particular, institutional leaders, frontline academics and students' cooperation is critical to ensure that policies translate into effective change. Inevitably, to make reform happen, persistence as well as search for compromises are needed. Generating new solutions to reach consensus is the way forward – well illustrated by two ideas proposed this morning: following the Austrian approach to appoint members of the Board of Trustees and inviting leading external academics to be on the Boards.

The conference revealed that there is a lot of potential in Czech tertiary education and great developments are to be expected. It offered stimulating discussions and was an opportunity for dialogue among stakeholders who are in the pursuit of a common ambition: a high quality tertiary education which serves the economic and social goals of the country.

We wish you well in the pursuit of this ambition. My best wishes for the reform.

Thank you.