

Chapter 8

Montenegro: Enhancing Competitiveness and Accelerating European Union Integration – The Role of Higher Education

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1 Introduction

The speed and the success of the transition process in the Western Balkan countries, which started in the 1990s and faced numerous challenges including waves of destructive war, have relied heavily on the level of education of their citizens. The importance of education is huge for small countries and young democracies such as Montenegro which has a limited resource base to support a diverse and dynamic economy. Given Montenegro's commitment to European Union (EU) membership, its society and economy face far-reaching and deep changes in order to develop democratic political institutions and a competitive economy that can withstand the pressures within the European single market. Education plays a defining role in achieving competitiveness and sustained economic growth, and also in ensuring the implementation of European values that underpin the EU membership.

The process of European economic integration has put pressure on prospective EU members to reevaluate the role of education as a resource for both economic and democratic development. The integration process foregrounds the establishment of new flexible labor market relations, which in turn, require flexible and dynamic education institutions and programs. For aspiring EU entrants, including Montenegro, this has crystallized into a need to implement significant education reforms to establish the necessary structures and organization to achieve the quality of education that reflects labor market changes and the demands of international competition.

The literature emphasizes the role of education for ensuring income growth. Cross-country regressions indicate that changes to education levels are positively associated with economic growth (Krueger and Lindahl 2000). Several empirical studies find strong positive links between education quality and national GDP

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growth rates (Hanushk and Kimko 2000), and evidence of the contribution of education quality to improved productivity in an economic environment open to foreign trade (Jamison et al. 2006; Topel 1999). These findings are confirmed in the research by Montenegrin economists that identifies human capital as the critical factor to improved growth rates and living standards in Montenegro (Montenegrin Academy of Science and Arts 2010a, b).

The role of highly educated individuals is equally important in the development of a society based on democracy. A large body of empirical work supports the view that higher education (HE) leads to more democratic politics (Barro 1999; Glaeser et al. 2004; Papaioannou and Siourounis 2005). Moreover, better quality HE environment is a good predictor of a transition from dictatorship to democracy, although not the reverse (Rander-Pehrson 1999). Finally, more educated democracies tend to be more stable than those with less well educated citizenry.

Following the above insights, harmonization of the European education system has been a prominent track in the integration process. Effective European-wide distribution of knowledge, and labor mobility to achieve increased EU competitiveness and greater prosperity of European citizens, prompted the package of educational reforms known as the Bologna Process. The Bologna Process aimed to establish a competitive European higher education (HE) area, and to attract students and instructors from outside the EU. The extensive education reforms to achieve a better educated and more competitive European citizenry are also intended to contribute to the realization of the Lisbon Strategy, a EU landmark document that sets the agenda for transition towards a knowledge economy in the EU. Achievement of the Lisbon objectives should set the EU on the path to becoming the most competitive and dynamic knowledge based economy in the world.

For the new EU member states, accession to the EU involves a complex process of adjustment to the “rules of the game” operating within the EU. The EU integration process has influenced and continues to influence the process of catching up with the knowledge economy agenda by new and aspiring EU members (Reinhilte and Mrak 2009). In that regard, the Bologna Process is a powerful instrument for the essential reforms to the HE systems of all accession countries.

Since 2004, the Montenegrin HE system has experienced huge transformations in line with the Bologna Process as a major high education reform initiative (Lucin and Prijic-Samarzija 2011). In Montenegro, a newly established country following secession from Serbia in 2006, and with strong EU aspirations, the skills and experience acquired under the socialist system proved less marketable in the new economic environment. Expenditure on education was falling, with a significant negative effect on the quality of education outcomes (Campos and Dean 2003).¹ The need for HE reform to enhance growth and increase economic competitiveness was recognized early in the transition process, and has become the foundation to multiple transition reforms.

¹A recent comprehensive review of education systems in the Western Balkan (Luca et al. 2007) concludes that the education systems developed under socialism focused on “memorized factual and procedural knowledge” to generate skills which were perhaps appropriate for a planned economy but not necessarily for the demands of a market-based economy.

Building on previous research, this chapter explores developments in Montenegro's education policy, looking at the relations and roles of key stakeholders that have shaped policy, and considering assessments of and reflections on major aspects of education policy. The first section critically assesses the socialist era education system in Montenegro, and its evolution in the course of economic and political transition. It focuses specifically on discussing the challenges of implementing the Bologna Process. Throughout, the emphasis is on capturing the main policy trends, identifying the key actors driving and shaping the policy reform process, and the development of a new policy framework. The discussion centers on deciphering how key policy actors negotiated their respective interests in pursuing (or not) education reforms, and the implication of this for reform outcomes. This chapter addresses the following main questions.

What is the role of HE for supporting and enhancing the process of economic and social development in Montenegro? Will Montenegro be able to compete in the knowledge economy and develop the skills required for the twenty-first century? How is the policy making process in HE being shaped? Who are the most important actors? What are the major obstacles facing HE reforms in Montenegro?

The analysis is at two levels. First, we provide an overview of the Bologna Principles, followed by an analysis of their implementation so far in Montenegro, based on an interrogation of the interactions among key stakeholders. This structure enables the application of different methodologies. To investigate the EU education framework as a baseline for new and aspiring EU member states, we analyze official documents and official European Commission (EC) and other relevant statistical data. The country-level analysis uses the main legislative and strategic documents defining the content of education policy. Analysis of the policy actors and their influence on policy outcomes is based on interviews with representatives from the Ministry of Education and Sport, the Ministry of Science, the Presidents of the Higher Education Council and the Science and Research Council, members of the quality-control bodies, students representatives, university deans, professors, and NGOs.

2 European Common Educational Policy: The Main Challenges

2.1 Bologna Declaration and Bologna Process

The basic HE framework for the EU was designed within the Bologna Process, through a series of meetings of ministers in charge of HE policy, conducted with the goal of establishing the European Higher Education Area (EHEA) by 2010. The signatory countries are 5 EU member states, 3 European Free Trade Association (EFTA) countries – Iceland, Norway and Switzerland, and 11 then EU candidate countries (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia). This body has since been enlarged beyond EU borders to include a total of 47 countries.

In signing the Bologna Declaration, the ministers declared their intention to do the following:

- Adopt a system of easily readable and comparable degrees;
- Implement a system based on two main education cycles;
- Establish a system of credits (such as the European Credit Transfer System ECTS);
- Support the mobility of students, teachers, researchers, and administrative staff;
- Promote European cooperation in quality assurance;
- Promote European dimensions in HE (i.e. for curricula developments and inter-institutional cooperation).

The Bologna Process created a new sociopolitical area of HE that brought together the European states, supra and international organizations, civil society, and employers (Croshe 2009). The growing ‘market share’ of the EHEA in worldwide student mobility indicates that European HE has become more attractive since the Bologna Declaration came into effect (Campos and Dean 2003).

HE across the 47 EHEA countries looks substantially different from early 1999. Nevertheless, it is difficult to measure the achievements of this initiative because the realization of desired outcomes requires many years of post-implementation experience – especially labor market effects and the effects of all three cycles of study (undergraduate, postgraduate, and doctoral). Experience from the first 10 years of implementation of the Bologna Principle points to differential speed, and variation in the implementation modalities across the 47 country signatories to the Bologna Declaration. Since it is an intergovernmental declaration, the document is not binding in character, and requires no ratification; hence there is no political pressure to implement it (Garben 2010). During the first 10 years since it was signed, all countries have implemented most elements envisaged by the reform architecture, involving legislation and national-level regulation. States see the Bologna Process more as an instrument to resolve their national problems – to make their universities attractive for students from other continents – than as a way to harmonize their HE systems with those of their country counterparts (Charlier 2006).

From the beginning, the EU has played an important role in driving this process, and its role will continue to be crucial. Throughout the recent financial crisis, the EC reaffirmed its stance regarding the importance of HE, and the need for increased investment in this area in order to facilitate adaptation of its citizens to new economic, demographic, and social realities (European Commission 2010). To contribute to the goals of the Europe 2020 agenda, the European Commission adopted a new agenda for the modernization of Europe's HE systems in September 2011.

2.2 Necessary Reforms Towards Europe 2020 and the Challenges Ahead

The Europe 2020 strategy puts knowledge at the heart of the EU's efforts to achieve smart, sustainable, and inclusive growth. This is because HE and its links to research and innovation play a crucial role in individual and societal advancement, and in

providing the highly skilled human capital and articulate citizens that Europe needs to create jobs, economic growth, and prosperity (European Commission 2011).

The main areas for reform identified in the new agenda are the following:

- To increase the number of HE graduates;
- To improve the quality and relevance of teaching and researcher training, to equip graduates with the knowledge and core transferable competencies they need to succeed in high-skill occupations;
- To provide more opportunities for students to gain additional skills through study or training abroad, and to encourage cross-border cooperation to boost HE performance;
- To strengthen the ‘knowledge triangle’, linking education, research, and business;
- To create effective governance and funding mechanisms to support the pursuit of excellence.

The suggested reforms are expected to produce several key outcomes by 2020, including a significant increase in the number of young people successfully completing HE; a reduction in school dropouts to below 1 %; and an increase in HE research.

The ultimate goal of the HE reforms to support the Europe 2020 agenda is to improve the quality of education and its relevance in a time of rapid and continuous change, through adjustments to curricula, introduction of practical experience in taught courses, staff and student exchanges, and flexible and innovative learning approaches and delivery methods. For the HE reform to be effective will require the involvement of employers and labor market institutions to contribute to the design and delivery of programs, and involvement in life-long learning programs. The provision of adequate funding is of overall importance to support the recruitment of high quality teaching and research staff, procurement of equipment, and improved working conditions. In 2010, the EU invested 1.3 % of GDP on average in education, compared with 2.7 % of GDP in the United States, and 1.5 % in Japan (European Commission 2011).

The initiative to make the EHEA more competitive and more transparent to international stakeholders is intended to increase Europe’s appeal as a study destination. There is a growing number of third countries interested in the common educational policy and the instruments developed by the EU to support member states modernize their education systems (Official Journal of the EU 2010). By attracting the best students, academics, and researchers from outside the EU, and developing new forms of cross-border cooperation, international cooperation in HE could contribute significantly to improving the quality of HE (European Commission 2011).

The countries implementing the Bologna Process have faced different problems since 1999, from inefficiencies (high dropout and low participation rates), to limited systemic flexibility and slow quality upgrades. Ultimately, a country’s achievements depend on its national agenda, the date of its joining the Process, the distribution of authority, its experience and policy making tradition, and not least, available funding. A balanced mix of supporting policy mechanisms (funding, regulation, communication, and information exchange) appears to be crucial for successful

implementation of the Bologna reforms. Experience with their implementation so far shows that lack of resources and expertise to guide and influence the domestic policy process has been a significant handicap, particularly in countries where the Bologna Process is relatively new. The analysis in Sect. 3 describes Montenegrin experience in implementation of the Bologna Process against this background.

3 Implementation of the Bologna Process in Higher Education in Montenegro

3.1 Higher Education in Montenegro and the Main Reform Trends

The former socialist country of Montenegro started the process of transition and the shift to a market economy in the early 1990s. The broad scope of political and economic reforms put HE reform at the center of its reform efforts, and made it a priority to support the process of transformation towards building an efficient and competitive market economy. HE was recognized as one of the most important drivers of transition and its reform was strongly supported by government, the international community, and donors.

Montenegro is a small,² middle-income, and young country that gained independence in 2006. It was awarded EU candidate status at the end of 2010, and negotiations for EU membership began in 2012. Progress towards EU accession required Montenegro to improve its competitiveness significantly, and to that end, the efficiency and quality of HE alongside developing stronger links between research, innovation, and business are considered of paramount importance (World Bank 2011).

At the onset of HE reform which began in earnest with the signing of the Bologna Declaration in 2003, the state-owned University of Montenegro (UM) was the only HE institution. The Bologna Process has been the major reform initiative in the area of HE pursued over the last 10 years in Montenegro. Formal application started with the adoption of a new legal framework consisting of the Law on Higher Education (2003), and led to the adoption of a university and department book of rules (2004), and accompanying regulations for their implementation. This created a normative institutional HE framework in Montenegro.

The new Law on Higher Education stresses improvements to the efficiency of studies, and harmonization with the European HE system, in line with the principles of the Bologna Declaration and Lisbon Convention. Obligations assumed through membership of the Bologna Process and Lisbon Convention are aimed primarily at promoting a European HE system which as mentioned earlier, is the strategic goal underlying creation of the EHEA. A need for reform of the HE system in Montenegro

²Population is estimated at 623,000.

was evident long before adoption of the Bologna Declaration. In fact, HE was the weakest part of the former education system. Average years of study were usually 6–8 and even 9 for some programs, compared to the official time of 4 years as defined by the regulation. The UM had inadequate human resources, and there was chronic lack of investment in professional training of teaching staff. Learning practices and curricula were outdated and ill-fitted to the requirements of a market-based economy.

The changes introduced by the Law adopted in 2003 aimed at modernizing HE by putting in place a more open and flexible system. Implementation of this institutional framework in Montenegro has led to an increase in the numbers of HE institutions and students enrolled. There have been several directions of change. By promoting quality of public and private HE institutions, the new Law contributed to the expansion of private universities/faculties. In addition to the state UM which has 20 faculties, 3 research institutes, and 1 independent study program, located in 8 different towns throughout Montenegro, there are 2 private universities, Mediterranean University and the University of Donja Gorica, and 7 independent private faculties (Montenegrin Academy of Science and Arts 2010a). Private institutions represent between 20 and 25 % of the HE market in Montenegro.

The increase in the number of private HE institutions is important in so far as they tend to be more flexible and market oriented, offering programs that better fit labor market needs. Liberal policy implemented through education reform in Montenegro has been driven by expectations that private institutions will increase the competition and contribute to improving the quality of the education system. Reflecting these policy preferences, the latest changes in the Higher Education Law (2010) make it possible to exploit public sources for certain study programs offered by private HE institutions if they are deemed to be of strategic importance to government.

Private versus public HE is a much debated economic, education, and political topic in Montenegro, and it is increasingly evident that expectations about private HE institutions and their contribution to genuine change to the system have been overestimated. According to an interviewee, “the quality of the work of private HE is different, often poor; they lack qualified teaching staff, and provide narrow curricula, mostly oriented to low- cost social science programs, organized in small towns, with strong support by the local politicians” (Zgaga et al. 2013).

Another change resulting from implementation of the Bologna Process reforms is the significant increase in the number of students to approximately 25,000, of which some 20,000 students studied at the UM, and the remainder in other institutions. This increase in the number of students is due in part to the introduction of liberal legislation which is making it easier to set up private education institutions, and in part to lack of funding from public sources. Montenegro allocates 1.10 % of GDP to HE compared to 1.26 % in Slovenia and 0.72 % in Croatia, the regional peers with the highest and the lowest HE expenditures respectively.³ To compensate for revenue shortfalls, a system of tuition fees has been introduced in Montenegro.

³ Budget allocations for HE in the region are generally inadequate and tend to be spent inefficiently (World Bank 2012).

One of the primary goals of HE reform in Montenegro is to ensure greater employability of university graduates by addressing the mismatch in supply of and demand for skills – a long term problem in Montenegro (World Bank 2011). The Ministry of Education and Sport (MoES) does not have any systematic mechanism to collect, analyze, and disseminate information on Montenegrin graduates' employment outcomes. However, slow reform of the university curricula in a context of a fast transition in the labor market away from manufacturing and agriculture and toward the knowledge and service industries, has not been able to break the long term trend of high unemployment among graduates.⁴

There have been other setbacks in implementation of the Bologna Process. At the start of the reform, the UM as the only HE institution in Montenegro became engaged in the process almost overnight, and without adequate preparation. Over time, a variety of practices related to implementation of the Process developed, usually involving confusing interpretations of program duration, content, and learning outcomes. This was the result of introducing changes in a different institutional context, and equally importantly, of confronting different individual attitudes and preferences concerning reform of the HE system (Montenegrin Academy of Science and Arts 2010a). Overtime, the gaps between the formal adjustments and the required strategic changes have become more evident, and policy making has become increasingly problematic. Political pressure on the universities has increased, which is an unexpected outcome that goes against the Bologna Process ethos (Zgaga et al. 2013).

3.2 Challenges to Implementing the Bologna Process in Montenegro

In keeping with its commitment to the Bologna Process in relation to HE reform, Montenegro has two policy priorities -improving the quality of education, and decentralized governance of the HE sector. Enhancing the quality of HE requires further *curricula upgrading*, improved learning outcomes, and acquisition of knowledge that is adapted to the needs of the labor market to ensure greater employability of graduates. This in turn requires actions to improve the quality of academic staff, primarily through increased international mobility for teaching and non-teaching staff to encourage younger, less qualified staff to pursue masters and doctoral level studies overseas.⁵ So far, levels of international mobility among

⁴To overcome the problem, the World Bank decided to finance research to collect relevant data and build the capacity of local institutions to monitor trends in graduate employment (World Bank 2011).

⁵Since the quality of human capital is crucial for improving quality of HE, the World Bank project 2011, component 2, provides € 2.1 million for this purpose. Also, teaching staff benefit from building closer links with the scientific diaspora who are interested in collaboration for teaching and research projects.

teaching staff are low for several reasons related to lack of awareness among staff of the importance of mobility, lack of institutional support to facilitate mobility, and so on.

Research and development (R&D) is a very important segment of HE which has implications for the quality of education outcomes (Havas 2009). Most indicators such as number of articles published in peer-reviewed journals per teacher show that Montenegro has a poorly developed R&D sector. Lack of funding, insufficient demand for scientific research from the business sector and especially small and medium enterprises, and the criteria for professional promotion which are much lower than in developed countries offer no incentives for pursuing a research career (Montenegrin Academy of Science and Arts 2010c).

The primary responsibility for education quality resides with the individual HE institution, and an international assessment is carried out annually at ministerial meetings monitoring implementation of the Bologna Declaration. Through several international projects (World University Service – WUS, Austria, and the EU Instrument for Pre-Accession Assistance -IPA), the UM has set up the Center for Quality Assurance and has adopted the Quality Assurance Strategy for the period 2011–2015. However, the quality assurance system remains largely framed around traditional understanding of learning outcomes, and burdened by a perception that quality assurance is an additional administrative burden on teachers' time. Indirect quality assessment of the relevant Bologna Principles is performed through a process of accreditation and reaccreditation by the Higher Education Council. Hitherto, the practice of accreditation and reaccreditation, to which all HE institutions are subject, mostly consists of application of procedures and standards related to the administration of the Bologna Process to the academic community. Introducing accreditation programs and setting criteria for them has been difficult for HE institutions in Montenegro.

Another policy priority in Montenegro is institutional integration and governance of universities. Procedures such as transfer of public funds, signing of official documents, internal quality assurance and communication with government and international institutions are defined at university level, and the faculties define curricula, enrollment, and employment policy. However, there are differences in and resistance to institutional integration mainly in the belief that it would lead to integration of financial resources. Consequently, the integration process has caused a lot of tensions in UM, mostly between the social science/humanities faculties and the technical sciences faculties, and also conflict – aggravated by the onset of the financial crisis in 2009 – between UM and the private universities.

The increase in the number of students as a result of implementation of the Bologna Process, mainly in social sciences and humanities faculties, has boosted their revenue and enabled an increase in investment in teaching resources and infrastructure (Laszlo 2008). This has increased the popularity of these fields of study among high school students and intensified the competition among private universities and faculties. Of course the latter are in favor of retaining financial autonomy and are reluctant to commit to institutional integration within HE. However, the recent financial crisis significantly constrained access to public funding and rein-

forced the arguments in favor of the process of integration which is being actively championed by the Ministry of Education. Nevertheless, there is resistance from the financially better off faculties. Antipathy to a model which means that faculties that generate the highest revenues cannot influence decision-making, goes against old habits and has led to increased conflicts and paralyzed change at the UM, which is the major player in HE in Montenegro. A further aggravating factor with direct implications for the reform process is the competition for students. This is an explicit policy of the UM, prompted by reduced public funding, and increases the ill feeling between the UM and private faculties.

3.3 The Regulatory Framework, Institutional Infrastructure and the HE Policy Making Process in Montenegro

Education reforms in Montenegro have been pursued as part of the overall reform process closely supervised and supported by the international community. The first rounds of reform were undertaken with World Bank support in the early 2000s through a project for pre-university education. Support from the EU followed in line with implementation of the EU accession process, through such schemes as TEMPUS support for HE, and IPA. Other international actors have participated including UNICEF, UNDP, USAID, Open Society Fund, Save the Children, and a number of development agencies and bilateral funders such as the UK DFID, Swedish SIDA, the Austrian WUS, and CARITAS. More recently in 2012, reflecting Montenegro's advancement along the European accession path, Montenegro temporarily closed Chaps. 24 and 25 (Education and Culture, and Science and Research). However, HE remains in need of further reform. In 2011 the World Bank launched a project in support of HE, and Research for Innovation and Competitiveness, which aims to increase competitiveness by supporting strategic institutional reforms in HE, improve policy making, and foster research capacity building.

At the local level, the most important actor in the HE reform process is the *Government of Montenegro*. The intensification of relations between the Government of Montenegro and EU institutions and other international institutions (IMF, the World Bank) have largely defined the direction and pace of the changes required. Having signed the contracts with international financial institutions, and agreements with the European institutions, the Government of Montenegro has created the environment for a number of reforms.

Like most countries in the Western Balkans after a turbulent 1990s, Montenegro, has followed a specific development and reform path. This path is evident especially in the run up to becoming an independent state, Montenegro benefited from substantial international presence and funding, and engaged in a series of wide-ranging economic and political reforms. In 2003–2006, Montenegro was granted US \$90 million of IDA loans, and in the period 2005–2007 received an additional US\$ 42 million. This support was intended primarily for the development of policies and investments in key areas such as energy, health care reform, education, and pension

systems. The pre-university education reform process was an initiative of the Government of Montenegro in 2001 supported by the World Bank, and was followed later by HE reform. There was a general consensus that high quality education was fundamental to improving Montenegro's economic development prospects, and that a comprehensive overhaul of the primary and secondary education was needed including curricula reform, new learning objectives, intensive teacher training, and preparation of new textbooks. The Montenegro Education Reform Project 2005–2008 supported by the World Bank aimed to strengthen the capacity of the school system to make continuous improvements, especially in the quality of classrooms, teaching materials, and learning outcomes. Additionally, the project supported the creation of the Examination Center for student assessment and the Bureau of Education Services (BES) for improving teachers' skills. The new Examination Center and the BES built the capacity and put in place the mechanisms for a system of monitoring and planning.⁶

The process of European integration, initiated by the signing of the Stabilization and Association Agreement (SAA) in 2010, and continued through the EU accession negotiations, has formally bound Montenegro to harmonize its legislation with the EU Acquis, and to regularise its attitudes and policies in all areas of cooperation. Thus, further changes and reforms have had to include HE. At the start of the reforms in the early 2000s, the government and the Ministry of Education were supportive of the reforms which initially involved only the UM; however, actual pressure on the UM to reform was quite weak because the reform process coincided with government's participation in activities to secure Montenegro's secession from Serbia. Under those circumstances, government was wary of antagonizing the academic lobby and potentially creating an enemy. The need to balance EU demands to pursue reforms with lack of enthusiasm for reforms from some sections of HE reluctant to change deeply entrenched practices and keen to protect vested interests, meant that there was little incentive to push the reform through. However, over time, and especially since the signing of the SAA, significant progress has been made in aligning the EU and Montenegrin institutional frameworks more closely, ultimately allowing Montenegro to open and close Chaps. 24 and 25 of negotiations with the EU. This means that in terms of procedures and administration of implementation of the Bologna Process, Montenegro has fulfilled its commitments. But strategic change, as the ultimate goal of reform, will still require further policy action as evident in the decision to have another World Bank-funded program on education reform- the Higher education and research for innovation and competitiveness of Montenegro (HERIC) 2012–2017 is being implemented by the Ministry of Science in cooperation with the Ministry of Education and Sports, and funded by a World Bank loan of \$16 million. The aim of the HERIC project is to strengthen the quality and relevance of HE and research in Montenegro by reforming the system of HE funding and quality assurance, and strengthening capacity for research and innovation.

⁶The scale and the results of the project were outstanding and the World Bank declared this project the best in the region in 2009.

Another important policy actor is the *Ministry of Education and Science*.⁷ With the significant need for reform to the education process, and the need to manage a large public sector,⁸ the Ministry has been led by a combination of university staff and the politicians. The reforms to education policy which started in 2001 with the efforts of the Ministry, were later supported by the World Bank which helped to establish a team of professionals, experts, and enthusiasts active in the field of education. Therefore, with the change of government in late 2002, it was a logical choice to appoint to the minister's position someone who was closely involved in the World Bank-supported project. From 2002 to 2008 the Minister was a university professor. This created a rift between the pro-reform and anti-reform forces within the education sector. However, the authority and enthusiasm of the Minister, and the political support he received from government for the proposed reforms, resulted in the introduction of many changes to the education sector.

However, some among the Ministry officials did not understand the reform process, and saw it as threatening their positions. This problem was partly overcome by recruiting young people, although it proved difficult to break the opposition from senior officers with significant political influence. A group of experts established and trained to participate actively in the World Bank project, was also often used as expert advisors to the Ministry during this period, in preference to the ministry's own staff.

A change in government led to the appointment of a new minister in 2008–2010, who like his predecessor was a university professor. Although familiar with the work of universities and the EHEA project, he lacked knowledge about primary and secondary education and public administration practice. This period was marked by frequent industrial action by teachers and students, who found it difficult to adjust to the changes being introduced. The expert team composed of young and skilled people which had supported the previous minister, left the ministry for better paid jobs outside the public sector. The new minister was forced to rely on ministry officers, who deliberately or unintentionally obstructed reform. At the same time, the application of the new curricula which increased teachers' and principals' workloads, and the announcement of external assessments, led to strikes, work absences and resignations from some school principals and directors of other education institutions. Maintaining normal operation of the education system was the imperative during that period.

In these circumstances, pressure on HE institutions to pursue the reforms entailed in the Bologna Process was minimal. Implementation of the new Law on Higher Education in 2003, was left to the universities. The UM began sporadic and arbitrary implementation of the legislation, choosing what and when it suited them from the reform package. A tradition of university autonomy was often evoked as justification to push back on pressure from the ministry to implement certain reforms.

⁷In 2010 the Ministry of Education and Science was reorganized into two separate ministries, the Ministry for Education and Sports, and the Ministry for Science.

⁸The education sector accounts for about 30 % of the budget of Montenegro and for some 30 % of total public sector employment.

Government for its part was reluctant to confront the university establishment. Ultimately, this situation resulted in another change of minister in 2010. The appointment of a new minister was closely linked to the problems in the pre-university education sector, which were supposed to be addressed as part of the package of reforms agreed with the EU. There was so much controversy that it took six months for the new minister to be appointed. The new minister was a political figure, trusted by the prime minister, and with significant experience in public administration.

The new minister lacked the experience of working in the education sector, and particularly in the field of HE. The main task for the new management was to establish normal operations in the education system, and to perform the tasks required by the imminent opening of negotiations with the EU. The minister relied on ministry staff, who this time adopted a more moderate anti-reform attitude because of the minister's strong political backing. Expedience and efficiency in performing the assigned tasks characterize this leadership.

In 2010, the Ministry of Education and Science was reorganized into the Ministry of Education and Sports, and the Ministry of Science. The Ministry of Science was tasked with coordinating research-related activities, and a professor from a private university was appointed a minister. The Ministry of Science performance was linked to the limited resources channeled into the research and poorly developed innovation system in Montenegro. Several internationally sponsored programs specifically targeted this ministry, such as the World Bank support for a Center of Excellence, grants for equipment, mobility of researchers, etc. The Ministry of Education and Sport has retained jurisdiction over HE policy, so that within the Ministry there is a HE sector with the Deputy Minister responsible for HE.

However, management of the education sector was difficult for ministers with academic and political experience alike. The complexity of the system, constant resistance to change at all levels, and the increasing pressure of the financial crisis, made for very slow change. Thus, the ministry generally complied with the requirements imposed by the EU negotiation process, mostly balancing different interests rather than acting as a strategic force for change.

The third important actor in the process of HE policy making is the universities as the principal service providers. In Montenegro there are currently three universities, one public and two private. UM is the largest one in terms of the scope of programs offered, and staff and student numbers. In order to understand the role of the UM in the policy making process, it is important to keep in mind its rigid understanding of university autonomy which often served to protect tenured academics, but also the politics behind the existing arrangements. In the political context of Montenegro, since the early 2000s, the leadership at UM was controlled by the minority coalition partner the Social Democratic Party (SDP), while the position of the Minister of Education was filled by the ruling party, the Democratic Party of Socialists (DPS). In the HE sector the SDP dominated with numerous positions filled by its members, including the Deputy Minister in charge of HE, the chancellor and the faculty deans. In the context of power-sharing and pressure to maintain the

coalition during a very sensitive political period,⁹ the DPS did not get closely involved in the activities around the university.

The traditional concept of university autonomy, including significant political autonomy, allowed UM to escape pressure from the Ministry of Education to reform. The result has been survival of historical practices and minimal changes to the curricula. The changes that were implemented were mostly cosmetic, leading to high enrollment rates, high pass rates, and increased revenues from tuition fees. Thus, despite progress in setting up the institutional framework corresponding to the Bologna process, reforms to the education system have been rather modest.

There are still programs in place which for decades have not seen any enrollment, or have had fewer than ten students but they continue to employ large staff (teaching and non-teaching) who in many ways have acted to maintain the status quo in the university system. The recent push towards financial integration in the university leading to a situation where more profitable institutions de facto subsidize less profitable ones while not enjoying input to decision making, has raised tensions within UM, and promoted further arguments about future education reform. Reduced budget allocations certainly put pressure on the university to step up the reform process, which would close some programs, change the profiles of others, and create a viable state-backed university structure. As a consequence of these developments, there has been a shift in the coalition partners' position towards the status of the UM in that the tacit division between the SDP and the DPS is being challenged.

There are some more specific attitudes emerging within the ranks of the DPS for a political takeover of UM through the appointment of the DPS members to the management structure of universities and faculties. These changes are certainly related to the pressure from the EU, and the policy of conditionality under the new loan agreement with the World Bank exclusively designed to support HE, to address many outstanding issues in education sector reform, including that of university funding.

Private universities in Montenegro are a relatively recent phenomenon formed mainly by significant political support, and suffering from lack of funds, premises, and administrative and academic capacity. Despite all the problems faced by UM, students and their parents share the view that it provides the highest quality HE and enrolls the best secondary school students. The enrollment of mostly average secondary school students significantly affects the output of private universities. The financial crisis has also affected these universities, and has opened new legal opportunities related to accessing public funding for some specific programs, making the private universities more prominent policy actors.

The 2003 Act also created the *Council for Higher Education* as the foremost authority in the area of HE, entrusted with ensuring the quality of HE. The Council conducts analyses of HE, prepares expert proposals to government, and is endowed with special authority to (1) provide opinion on draft strategy for the development

⁹The academic community had a very important and influential role in supporting the project of Montenegrin independence.

of HE, (2) deliberate on standards for the issue, modification, and revocation of licenses, (3) provide advice on the criteria for selection of academic titles, (4) deliberate over standards for HE funding, (5) establish criteria for evaluating academic programs with regard to their compliance with professional requirements and international comparability, (6) conduct periodic quality control of licensed institutions and issue certificates of accreditation or re-accreditation, (7) perform other duties prescribed by this law and the founding act of the Council. The Council is responsible for achieving quality in HE and assisting institutions to improve and maintain the quality of their services. In addition, the Council for Higher Education is the accrediting body, and is responsible for implementation of the quality assurance system which is based on continuous monitoring, control, and reporting.

Despite the Council's extraordinary powers, it has neither achieved full autonomy or its stipulated role, nor has it developed organizational capacity to accomplish its tasks. For finance, the Council remains dependent on the government, and for administrative, physical, and organizational issues dependent on the Ministry (Montenegrin Academy of Science and Arts 2010a). The Council failed to constitute permanent bodies and thus to enrich the institutional framework, exercise control, or initiate significant regulatory action (Montenegrin Academy of Science and Arts 2010a). Its role effectively has been reduced to a formal accreditation body, which is at odds with its legal mandate to improve the quality of HE.¹⁰

One of the key concepts of the Bologna Process is to make HE more student oriented, so that *students* become partners in the education process, which represents a significant change in the context of HE in Montenegro. Student participation in relevant managing bodies currently stands at 15 % with the goal of increasing it to 25 %. However, despite formal representation, the actual influence of the student body in the decision making process is limited. There is no tradition of active engagement of students, and no effective system to disseminate the experience of working in education-related decision making bodies among the general student population.

The NGO sector is another potentially important policy actor. This role is quite new and underdeveloped in Montenegro. There is a clear lack of civic awareness related to activities in this area and only a very small part of civic sector is engaged in the work of HE institutions, e.g. the Center for Civic Education and the Center for Monitoring (CEMI). The NGOs so far have dealt mainly with issues of corruption in the field of HE. According to studies conducted by NGOs, 30 % of the population believes that the state university is corrupt, and the percentage is significantly higher (44 %) for private universities¹¹ (Center for Civic Education 2011, 2012).

The Chamber of Commerce and the Employment Agency do not play a formal role in creating HE output. This is a significant weakness in the overall policy making framework because the impact of the business community is critical for aligning

¹⁰Because of the importance of the Council, Component 1 of the World Bank loan is dedicated specifically to promotion of its work.

¹¹Corrupt practices are evident in the allocation of places to student dormitories and admissions to university.

curricula with the needs of the labor market (Chamber of Commerce 2012). In summary, the Bologna Process has introduced institutional reforms in the Montenegro HE system in terms of putting in place the basic architecture of relevant institutions but in most cases this has not been fully developed and the influence of these institutions does not reflect formal provision. The institutional autonomy and coordinated activity of policy actors is limited since most continue to receive financial resources directly from the ministry. The Ministry of Education and Sports is the umbrella institution responsible for HE policy and the Higher Education Department, with the result that decision-making remains quite centralized.

4 Conclusions

Socio-economic changes in the young democracy of Montenegro have necessitated reform to the education system, especially the HE sector, in order to support and accelerate the process of transition and fulfill the European integration objective. Highly educated young individuals are the most important factor for building a modern, democratic society able to implement and develop European values of democracy, rule of law, and respect for minorities. The Bologna Process is the basic framework for the transformation and reform of HE on the European continent (Zgaga 2010), aimed at building more competitive and knowledge based economies, and it has been pursued by Montenegro as the major path to reforming this country's education system.

Implementation of the Bologna Process in Montenegro has resulted in significant reforms with varying effects on all the actors involved in this process. The changes introduced include Europe-wide recognition of university degrees, qualification frameworks, quality assurance, and accreditation systems. Overall, the principles of the Bologna Process have been implemented in Montenegro in a technical, normative, and organizational sense.¹² The specific changes to HE in Montenegro introduced as a result of the implementation of the Bologna Process include significant reduction in study duration, better organization of the education process, and the possibility to obtain an internationally recognized diploma. However, much remains to be done. For example, with regards to the role of private education institutions which were meant to fill the gaps in the state sponsored system and contribute to developing competitive skills.

In practice, the introduction of three-cycle training has been difficult, and the greatest obstacle to reform has been the structure of previously established universities, primarily the intransigence of UM in relation to undertaking the necessary reforms. Although the emergence of private institutions opened an opportunity to increase the competition and thus improve the quality of education, the regulator

¹²This is indicated by evaluations obtained at the Ministerial Conferences which measure the implementation of the Bologna Process among the signatory countries, where Montenegro has achieved the highest rating of 3.88 at the last Ministerial Conference held in Bucharest in 2012.

has lacked incentives to ensure creation of conducive environment (Montenegrin Academy of Science and Arts 2010a).

Having in mind relatively short period of implementation of the reforms in HE, it is hard to estimate real impacts and contribution to the development of a desirable level of skills for highly competitive markets of twenty-first century as one of the key drivers of HE reforms. On current reading of the progress in the HE reforms, it is fair to say that expectation of Bologna Process and its role in contributing to the development of skills in support of the knowledge economy in Montenegro has been exaggerated.

The implementation of reforms needs reliable expert and administrative teams, which were originally lacking among decision makers (Huge and Tauch 2001). Incentives and directions provided by the international community have affected the behavior of domestic interest groups, which ultimately has determined the scope and outcomes of reforms. The most important actor was the Ministry of Education and Science, and subsequently, the Ministry of Education and Sport, and the Ministry of Science. Reform in HE has been accompanied by governance reform, i.e. moving from a state-governance model to one of state supervision. Unfortunately, some elements of the new model were introduced but not fully developed and clarified (Montenegrin Academy of Science and Arts 2010a). Supervision of the HE system is still over politicized and centralized (Orosz 2008), with the Ministry of Education and Sport the most important and the most powerful institution in the HE policy making process. The reform path characterizes the tension among ministries' pro- reform approach, and resistance from the UM to fully accept reforms (Montenegrin Academy of Science and Arts 2010a).¹³ After almost a decade of HE reforms, the institutional infrastructure of HE, and cooperation among different actors involved in the policy making process are still underdeveloped.

The next phase of reforms should focus on more substantial transformation which will mostly rely on decentralization of HE which should strengthen the policy actors. A history of central planning has proved inauspicious ground for developing a culture of active participation of all stakeholders – Councils (Higher Education and Science), Chamber of Commerce, labor market, students and NGOs – in the process of decision makings.

The changes is likely to be gradual, and the next phase of the Bologna process should focus on building capacity among stakeholders to allow better performance of their respective roles. In the next 10 years of Bologna Process implementation support will be needed from the EU and international partners to further develop the culture and practice of decentralization, and exchanges within the Western Balkans region and with international community in order to increase the quality of HE in Montenegro.

Acknowledgements I want to express especial appreciation to Mr. Predrag Miranovic, PhD, Rector of the University of Montenegro, Ms. Mubera Kurpejovic, Deputy Minister at the Department for Higher Education at the Ministry of Education and Sport, Ms. Biljana Misovic

¹³Reforms based on Bologna Process requirements.

Independent Counselor at the Department for Higher Education, Mr. Mitar Misovic, PhD, Director of Quality Assurance Center at the University of Montenegro, for valuable comments and guidance for this chapter. I also want to thank Mr. Igor Radusinovic, PhD (Council for Science), Mr. Mladen Perazic, PhD (Chamber of Commerce), Mr. Ilija Kaludjerovic, Student representative at the Faculty of Economics. In addition I want to express special gratitude to Ms. Danijela Grba Vukajlovic (World Bank office in Montenegro), Ms. Mladenka Tesic (the EU Delegation in Montenegro), Ms. Daliborka Uljarevic (Center for Civic Education), and Mr. Zlatko Vujovic (Center for Monitoring) for their help and cooperation.

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