

REPORT on the
University of Zagreb
Croatia
April 12-15, 2004

SALZBURG SEMINAR

UNIVERSITIES PROJECT
VISITING ADVISORS PROGRAM



**The Universities Project of the Salzburg Seminar
Visiting Advisors Program**

**Summary Report of the Follow-Up Visit to the
University of Zagreb, Croatia
April 12–15, 2004**

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Introduction and Visit Overview

This report summarizes the findings of a follow-up visit by an Advisory Team of the Salzburg Seminar to the University of Zagreb, conducted at the request of Rector Helena Jasna Mencer four years after the initial visit in May 2000. Two members of the original Team (Madeleine Green and Josef Jarab) also took part in this second visit, thus providing continuity and contextual experience. Three new members (Sven Caspersen, Jochen Fried, and Manja Klemencic) joined the current Team, offering fresh perspectives and additional expertise related to the subjects raised by the University of Zagreb (hereafter referred to as UZ or “the University”) for further discussion.

In preparation for the visit, the Rector’s senior management team, with the support of other UZ colleagues had written a comprehensive Self-Evaluation Report of the institution. This information provides an excellent overview and analysis of the developments at UZ and within the Croatian higher education system generally over the course of the past four years. The balanced and thoughtful insights of this report and the exemplary collection of statistical data that it includes, as well as other descriptive materials, were enormously helpful to the Team and equipped us with a clear perception of the critical issues that were then addressed during the discussions at the University.

The UZ leadership had put together a tight but well-structured program for this follow-up visit, paying particular attention to involving as many of the thirty-two

UZ Faculties as possible in the deliberations that formed the agenda of the visit. While not all Faculties used the opportunity to attend the meetings, representation was sufficiently broad for the Visiting Team to gain a reasonable understanding of the different views, voices, concerns and hopes confronted or anticipated by spokespersons of various institutional constituencies. We appreciated the broad scope of exposure and engaged in intense interaction with Rector Mencer and her Vice Rectors, many Deans and Vice Deans, chairpersons and other representatives of several of UZ's standing committees, the Secretary General of the Croatian Rectors Conference as well as a larger group of student representatives. On the final afternoon of our visit and after the end of the official program, we also had the chance of a short meeting with Deputy Minister Dr. Pavo Barišić and Deputy Minister Dr. Mirjana Polić Bobić who gave us some valuable insights with regard to the Ministry's position towards some policy and legal questions that came up during the discussions with UZ colleagues. All of our meetings were characterized by an atmosphere of frank and open discussion which bodes well for the future of a university that is about to embark on a process of major structural changes.

As on the first visit, the University of Zagreb had identified a number of issues on which it sought advice. Some of these were overlapping with the topics of the first visit which allowed the second Team to focus on the progress the University achieved in the course of the last four years. Other issues reflected opportunities and challenges that emerged or became prominent more recently, specifically those related to the Bologna Process and its adoption into national and institutional policy-making.

The discussion topics were as follows:

- The new structure of study programs following the Bologna Declaration
- Quality assurance (QA)
- Functional and organizational integration of the University
- Financing of the University

The topics chosen by UZ are both timely and pertinent. In presenting this report, the Visiting Advisors Team hopes to contribute to the discussions, decisions and actions that UZ must undertake in order to meet the challenges ahead as it prepares to become a strong partner within the emerging joint European Higher Education Area.

In the following pages of this report we briefly outline our perceptions of UZ's present context, report our observations of developments at the institution since the last visit in 2000, and offer some suggestions for further consideration by the University leadership. We do so in full recognition that we do not know all the relevant factors or have all the suitable answers; but as a Team, we combine a broad spectrum of knowledge and experiences from our own contexts, and we developed some comprehension from our visits and contacts to UZ. We appreciate the opportunity to share our views not in expert judgment but as colleagues engaged in the struggle of advancing higher education in all of our countries.

The Visiting Advisors Team owes special thanks to the chief organizers of this visit, Rector Helena Jasna Mencer and Vice Rector Aleksa Bjeliš who were ably assisted by Ms. Zrinka Dujmović and Ms. Arijana Mihalić from the International Relations Office. The warm and gracious hospitality as well as the candor in the discussions and the willingness to engage in a mutual learning process during the visit made the stay in Zagreb a highly memorable professional and personal experience for the Team members.

1. Higher Education: Internationally and Nationally

Like most of its neighbors, Croatia has committed itself to many international initiatives, including in the field of higher education. The country joined the Bologna Process in May 2001, and then signed the Stabilization and Association Agreement in October 2001. In late October 2002, Croatia ratified the Lisbon Convention, which, along with the preparations in progress for eventual candidacy for European Union membership, provides additional evidence of the country's desire to enhance its international profile.

According to these agreements, Croatia (like all signatory countries) will have to adopt, within established deadlines, a wide range of higher education policy objectives, which will require the revision or adaptation of the overall Croatian legislation in this field (including the recent Law on Scientific Research and Higher Education and the Law on Academic and Professional Titles) to be in conformity with the European laws and best practices. The agreements have a binding character for all countries involved; they imply the acceptance and fulfillment of international obligations, rather than merely providing suggestions or guidelines.

The core objectives of the Bologna Declaration (which is aimed at the harmonization of higher education qualification systems in Europe) include the following:

- Adoption of a higher education system based on two cycles;
- Adoption of a system of easily readable and comparable degrees;
- Introduction of the European Credit Transfer System (ECTS) which allows transfer of credits between higher education institutions to facilitate student mobility and the creation of innovative, interdisciplinary study programs;
- Establishing the National Information Centre for Academic Mobility and Recognition (the Croatian ENIC/NARIC office);
- Promotion of the mobility of students, teaching staff, researchers and administrative personnel;
- Promotion of European transnational education to improve the quality of education throughout the continent, to enhance its European-added value and to promote building all-European educational networks.

Compared to many transition countries in Central Europe, especially those that recently joined the European Union, Croatian higher education suffers

from a delayed adoption of new governance structures to foster the development of a more modern, flexible and entrepreneurial university. The external governance arrangements are still characterized by a “strong” role for the state authority, i.e., the (newly formed) Ministry for Science, Education, and Sports. University affairs are regulated in a highly administrative (some would call it bureaucratic) way, discouraging, and even preventing, self-initiative and self-reliance from within the academic community; what is more, consistent, university-wide decision making is seriously hampered by the application of a “*divide et impera*” policy, which results in increased fragmentation and inefficiency of internal governance. By and large, the university is generally viewed as a subordinate entity of the state – not unlike a school. Only more recently, a rethinking of the fundamental governance structures in higher education has begun recognizing the fact that in a knowledge society universities can no longer be organized as a state dominion, but must function with an incontestable degree of autonomy (as declared by the Bologna Magna Charta Universitatum). This level of autonomy is a major factor in the implementation of the educational and research missions of the university and in benefiting society at large.

Over the course of the last four years, very focused and commendable efforts have been made, both by the Ministry and the academic community, to draft a new law on higher education that overcomes the well-known pitfalls of the existing legislation. At the same time it takes account of more conservative voices by opting for an incremental approach of moving towards a “functional integration” of the university. When this new law passed the parliament in the summer of 2003, Croatian higher education seemed ready for a leap into a more promising future, and universities started to draft internal regulations and by-laws that reflect the changes in the legislation. Unfortunately, this development was halted by interventions from within the academic community that questioned the legal validity of certain parts of the new law, especially those referring to the proposed redefinition of the legal status of the Faculties. The Visiting Advisors Team learned that there are now meetings and discussions at the ministerial level in an attempt to resolve the problems that have emerged. It is our sincere hope that these talks will soon be successful and break the deadlock lest the momentum for change be lost.

From the Self-Evaluation Report of the UZ it is evident that the leadership of the institution is well aware of the complicated process of implementing the desirable legal changes which would allow the institution to adopt a workable policy of university autonomy. It has used its limited mandate wisely by explaining to all stakeholders why change is inevitable and by involving many sides in formulating a “roadmap” that sets forth the steps necessary to make the UZ compatible, and competitive, with their European counterparts.

As experience in other European countries shows, the gradual adoption of the objectives of the Bologna Process is a demanding task involving many changes and the willingness of everyone involved to question traditional concepts and practices. The Croatian universities and other higher education institutions (HEIs) and organizations have expressed their strong wish and readiness to become an active force in transnational cooperation and an

integral part of the emerging European Higher Education Area. What is now needed is a well-defined strategy and workable policies that define the steps and set the pace for implementation. This is not a process which can or will be put into effect by a decree of the government. On the contrary, the Bologna agenda calls for more flexibility and more individual autonomy for the universities in their efforts toward creating new degree structures, making them comparable and compatible with other countries and pushing for more mobility and internationalization. It should therefore be embraced by each University, Faculty or Department as an excellent opportunity to mobilize its change potential.

2. Why Integrate?

The Salzburg Seminar report from 2000 states: “Ironically, the extreme autonomy of the Faculties creates another set of problems. The status of the thirty-three Faculties and academies as legal entities and the direct budget allocations to the Faculties make the development of a University strategy nearly impossible. If the University of Zagreb is to become more efficient, effective, and responsive to students and society, it must have the capacity to act as a unified university, which it cannot do under the current Law of Higher Education. Additionally, the independence of the Faculties makes them less accountable in terms of adhering to common university practices and standards.”

Some of the constraints the University faced according to the SWOT analysis made in the report from 2000 were:

- Fragmented structure created by the status of each Faculty as a legal entity
- Lack of national strategy as a context for a University strategy
- Resistance to change from within the University
- Lack of interest on the part of political decision-makers to change the status quo

What has happened since 2000? Based on the self-evaluation report and the on-site discussions in 2004, the current Team of Salzburg Seminar Advisors made the following observations:

- Initiative has been taken on the governmental level, and the parliament has passed the Law of Scientific Research and Higher Education in Croatia. However, as mentioned earlier, the act has not been implemented and strong forces in the Croatian academic and political community have made attempts to respectively delay the implementation and/or have the Act revised in ways that will hamper efforts at the University to enforce integration.
- Initiative has been taken by the University of Zagreb with the intention of getting internal political acceptance of reducing fragmentation and increasing integration. The propositions set fourth in the preparation of

the new Statute include the introduction of six to eight clusters of closely related and partly overlapping subject areas as a part of the future organizational structure and increasing the responsibility and activities of the Rectorate on behalf of the University in general. The crucial question is still the financial platform. If in the future the Faculties keep their financial autonomy and all joint operations are dependent on the Faculties' willingness to delegate responsibilities to the central level, the integration process will be extremely difficult and fragile.

- There is some understanding of the advantages of integration among the leadership of UZ, but there are still too many questions and fear of the consequences at the Faculty level.

Overall, it is the recommendation of the Visiting Advisors Group that **the University of Zagreb should continue to be increasingly proactive in its efforts to implement the Law of Higher Education**, which will allow it to act as an autonomous university, instead of being a loose federation of thirty-two more or less independent Faculties. This recommendation is explained more fully later in the report.

The following points outline some of the advantages of integration for UZ:

- Integration will strengthen the overall political position of UZ on issues of financing new activities and national (European) priorities. One strong voice (instead of thirty-two weaker ones) will benefit the entire University.
- Integration will strengthen the overall position of UZ in relation to the municipality of Zagreb, industry, and organizations. It will also strengthen its ability to fund-raise from foundations, establish institutional priorities, and engage in international cooperation.
- Integration will strengthen the position of UZ in relation to future and current students: the common structure will strengthen the concept of institutional identity and improve the level of service, including enrolment procedures, student counseling, and payment standards.
- Integration will strengthen the common infrastructures, improve the efficiency in resource allocation, and reduce costs (e.g. for building maintenance, cleaning of the physical plant, and IT support). Further, it will make staff services and salary policy more efficient and strengthen the overall quality assurance mechanisms.
- Integration will enable the University to conduct its policies with greater transparency (particularly as regards the internal budgeting systems), which will pave the way for greater university autonomy.

From the University's point of view, integration into a single coherent institution presents a number of advantages. The decentralized units—

primarily the Faculties— will see many of the same advantages but also some disadvantages, namely:

- reduced direct access to the national political system;
- reduced external political influence on the finances;
- increased internal legal control of these activities;
- loss of some internal flexibility.

All members of the confederated assemblage of academic units profit from the high reputation that the University of Zagreb enjoys nationally and internationally, but as the Visiting Advisors Team learnt during the discussions in Zagreb, **most of these members seem to be very reluctant to help perpetuate and enhance this reputation by sharing resources.** From our perspective, this is a short-sighted policy that will ultimately have detrimental effects for everyone involved. It is also incoherent from a broader perspective: Croatia is aspiring to become a member of the European Union by 2007, following the logic that integration will ultimately benefit the wealthy and the less wealthy countries alike. Croatia now receives considerable financial support from Brussels mainly in the form of structural funds to improve the (economic, infrastructural, public administration) basis for its future EU membership – funds that are taken from the taxpayers in the more affluent European countries and get redistributed via a EU-wide mechanism of financial adjustment to ensure a more balanced development and growth throughout the member states.

The same logic of sharing resources and making financial adjustments across (faculty) borders in recognition of common goals and interests should be applied to, and would be highly expedient for, everyone involved at UZ. **The changeover to an integrated University should therefore be used as an opportunity to introduce new financial policies and processes that will be transparent across the University and promote integration and institutional development.**

Although a growing awareness of the need to take on these new challenges can be perceived at the University of Zagreb, not everyone is ready or willing to get involved, as we discovered during various debates with both faculty members and students. It seems that **many people do not yet recognize the urgency of the reforms**, which would contribute to the establishment of a more integrated and, therefore, more efficient institution of higher learning. For too many people, the status quo, however unsatisfactory it may be, seems more acceptable than the uncertainty that far-reaching changes could bring about. Some members of the community might fear losing their present advantages and privileges, or, at least, may think that they would lose them under the new system. This makes the situation very difficult for those who advocate and pursue such reforms, namely the Rector and her team. The Visiting Advisors Team had to recognize that the University leadership still suffers from a certain amount of isolation within the larger academic community - a phenomenon ensuing partly from the currently existing mechanisms of distribution of power (and competences) in university governance, and partly from the common "self-defensive" resistance to

change. **The problem of how to engage people in discussing the vital reforms and in taking ownership of the changes in a positive way remains to be solved.**

The Breakthrough 2001 program is a serious attempt to gain the interest of the academic community and involve them in reform thought and activities. However, quite a number of people we met admitted being ignorant of the project. Representatives of individual Faculties commented that the meetings of the Academic Senate take too much time, are too rambling and not efficiently conducted, and, therefore, not very fruitful.

The leadership team at the University of Zagreb has made it clear that they are well aware of the complicated process of implementing the legal changes in order to allow the adoption of a workable policy for university autonomy. We commend them for the initiatives undertaken to explain to all stakeholders why change is inevitable and how it will benefit everyone involved. Members of many constituencies have been involved in the formulation of a “roadmap” that sets forth the necessary steps for making UZ compatible, and competitive, with its European counterparts.

In order not to lose the current momentum on various levels and various issues concerning university autonomy, integration and efficiency, **a rapid move to action is needed at this very critical juncture.** The University of Zagreb, as the largest and most prestigious educational and research institution in the country, should manifest readiness for implementing the new Act on Higher Education, especially the points regarding the legal entity to be bestowed on the University as a whole. UZ must demonstrate that the institution will be capable of reasonable distribution of resources after the lump-sum method of financing universities is introduced. Desirable and possible reforms in educational, scientific but also practical managerial and maintenance matters should be considered carefully and in specific terms—both from the perspective of costs and results achieved or achievable. The deadlines imposed on Croatia to meet the agreements to which the country is committed indicate that there is a clear urgency for working out a simple, concrete blueprint outlining steps to be taken towards a beneficial, functional integration of UZ.

3. Moving toward Integration

Communication in any large, dispersed university is always a challenge, but it is a key element for a unified institution. The current autonomy of the Faculties of the University of Zagreb makes communication among them especially difficult. The **Rectorate can play a key role** in two types of communication flow.

1. Serve as a conduit of information among Faculties. The Rectorate should disseminate information about innovations and reforms that have taken place around the University and encourage sharing of good practice methods. Examples include the curricular changes related to

the Bologna Process implemented by the Faculty of Mechanical Engineering and Naval Architecture, the international benchmarking exercise undertaken by the Faculty of Agriculture, the introduction of ECTS in the Faculty of Arts, or the external evaluation accomplished by the Faculty of Veterinary Medicine.

2. Create a systematic information flow from the Rectorate to the members of the university community. This can be accomplished through e-mail, electronic and printed newsletters, forums, and workshops.

Given the high level of activity, it is natural for communication to be an afterthought, or an ad-hoc activity. But, given the need for greater visibility of issues related to innovation and reform, **communication should be a key tool to focus the attention of staff and students on issues of reform** and to promote a greater sense of urgency about action. As for academic community periodicals, a weekly paper (even of a limited scope, but dealing with topical issues) would be more useful than a monthly or quarterly publication, which would be the proper platform for more strategic articles or documents.

The more recent debates within Croatia about the reform of the higher education system frequently refer to the term of “functional integration.” For an outsider, the meaning of this term is not immediately self-evident, although in the course of our discussions in Zagreb we got a better sense of what it denotes. What was very apparent to us, however, is **the need for UZ to integrate certain “functions” that are currently either provided for at the level of the individual Faculties, or that are neglected because they relate to a common concern for which no single Faculty is responsible.** A simple example: Each Faculty is now making its own provisions for the maintenance of the buildings and physical infrastructure that it inhabits. It is obvious that an integrated Maintenance and Technical Service Department of UZ (or, alternatively, a joint scheme to outsource these services to an outside company) would result in cost and energy savings due to the economy of scale (the same would be true for cleaning and security services).

Along the same lines, other functions could be integrated in the interest of both efficiency and effectiveness of the overall University management. For instance, there might be good reasons why admissions and enrolment of students should continue to be handled at the level of individual Faculties; however, the information technology that facilitates these administrative procedures should be uniform throughout the University in order to **create a fully functional database of all students as a cornerstone for the systematized collection and analysis of institutional information and as a tool for strategic decision making.**

There are a number of other tasks across faculty boundaries that call for a united approach by creating a central node within the organizational structure of UZ that is currently missing. For instance:

- Knowledge and Technology Transfer / Industrial Liaison Office
- Continuing Education Center
- Bologna Support Office
- Quality Assurance Unit
- Teaching and Learning Resource Center
- Vocational Guidance Office
- Career Services Office for students/graduates

These are all areas of overlapping interest or concern for a broad range of Faculties. For obvious reasons, it would be pointless for each Faculty to deal with those issues individually: they either lack the resources or the breadth of activities to do so in a focused and proficient manner. Moreover, they would fail to benefit from the potential of synergies through cross-fertilization and cross-faculty cooperation. A strong and responsive university cannot turn its back to these important tasks. The only reasonable solution, therefore, would be for the Faculties to pool their resources and agree on a joint course of action.

Recommendation for Integration:

In the interests of integration, the Visiting Advisors Team strongly recommends strengthening the capacity of the University by **establishing integrated units for those “functions” that are best implemented on a University-wide level rather than by single Faculties**. The International Office of UZ offers a good example of how a central service unit can work for the benefit of the entire University: A small team of colleagues with specialized knowledge, experience and skills should coordinate and facilitate international contacts for the University as a whole within established and agreed upon parameters.

4. Attention Areas

There are a number of areas that must be addressed throughout the institution, areas in which the framework for consistency and fairness to all members of the academic community must lie. It is the University's duty to provide consistent and clear parameters, to maintain its standards and reputation throughout the system. Here we mention several of the areas we regard as deserving of immediate attention, but there are certainly other matters, specific to the University of Zagreb, which could be added to the list.

Quality Assurance: One crucial element of the Bologna Process is setting up visible quality procedures in HEIs. Croatia's new law on higher education includes a number of important proposals to introduce quality assurance as a regular tool for institutional self-assessment and improvement, including the establishment of a new agency for quality assurance in higher education. **The emphasis on quality is central to the formation and the competitiveness of the European Higher Education Area and thus will also be the yardstick for Croatia in the move towards harmonization of its higher education system with its European counterparts.**

The VAP Report from 2000 includes a number of recommendations on increasing efficiency, serving students, and quality assessment. While we observed some improvements in developing quality assurance processes at different Faculties, most notably the external evaluations of the Faculties of Kinesiology and Dentistry by professional academic associations from their field, we regret that there still does not exist a university-wide QA policy. The occasional evaluations of programs by the National Council on Higher Education are insufficient in ensuring quality at UZ.

At the moment, the Faculties consider their international cooperation activities (through approximately twenty active TEMPUS projects at UZ) as both sources of pressure and opportunity for developing expertise for QA procedures. While these are indeed important activities, they need to be translated into a university-wide policy and then coordinated centrally to achieve transfer of knowledge and consistency. Some Faculties described pressure from industry and changes in the economy as important incentives for improving the quality of education they provide. Again, we hope that these can be reflected in a university-wide policy. There exist isolated examples of student evaluations on individual Faculties, departments or initiated by individual professors. Additionally, students are very reluctant to file complaints, given that procedure is unclear and anonymity not assured. The methodology of conducting these evaluations must be examined closely and the results should be used effectively.

Funding mechanisms: The lack of more coherence and integration at UZ is due to a large degree to the existing financing provisions by which Faculties receive their funds directly from the relevant ministry. While most financial decisions concerning the management of HEIs are made by the Ministry, Faculties have their own bank accounts for staffing and research. **It is expected that with the implementation of the new Law on Higher Education, this system will be replaced with lump-sum funding.** This funding pattern would follow the general trend throughout Europe of reducing the micro-management of public institutions through cumbersome administrative procedures and of **providing them with the means to achieve greater independence and self-initiative in setting strategic development goals and directions.**

The lump-sum arrangement will undoubtedly provide a useful tool to advance UZ's capacity for strategic management and planning because it will

- strengthen autonomy from state control by putting the University in command of its financial resources;
- enable UZ to draft an integrated budget for the entire University;
- allow for the allocation of funds according to primary institutional/strategic objectives, e.g., by directing funds to the "performance niches" (UZ's fields of excellence);
- increase transparency in determining cost factors (e.g., "unit cost" in different Faculties).

Obviously, the shift to a lump-sum funding mechanism is not a magic formula to change the dissatisfactory financial situation of UZ. **However, it is exactly at times of financial constraints that the question of how to best distribute the scarce resources becomes vital.** The existing imbalances in income generation (predominantly via tuition fees) have given rise to tensions among the UZ Faculties and have even triggered discussions about a separation or segregation of UZ into several independent universities based on a combination of certain inter-related Faculties. As was mentioned above, we believe that it is in everyone's interest to maintain a single, strong university.

Tuition-paying students: An important aspect to be addressed in the planning of financing UZ is the question of tuition-paying students. Tuition-paying students are a predominant category of students in a number of Faculties at UZ. Consequently, the Faculties with more of these students can earn a proportionally higher amount of their own financial resources in the course of the academic year. In our view, there are several drawbacks with the existing pattern of funding from tuition-paying students:

- lack of transparency in the admission process and problems with the strict application of criteria when determining which students qualify for non-paying status and which do not
- lack of transparent criteria at the Faculty level and lack of university-wide consistency on these criteria on the possibility of transferring from paying to non-paying status during a student's course of study
- lack of sanctions for low performance of non-paying students
- at some Faculties, excessive admissions of tuition-paying students threaten even basic quality provision
- the current system permits the existence of "ghost students" who register at Faculties with low enrolment in order to obtain student social benefits

The problems arising from the lack of a university-wide policy regarding tuition fees is certainly not unique to the University of Zagreb. The general desirability and fairness of **the existing system of tuition fees in Croatia (the disparity between paying and non-paying students) should be addressed both within the University and in cooperation with the Croatian Student Council and the Ministry of Education, Sport and Science.**

Faculty Clusters: We learned with interest of the discussions at UZ of **the idea to converge Faculties into "clusters" of Faculties and units that seek some organizational linkage as a step toward overcoming the current shortcomings described earlier in this report.** Undoubtedly, this discussion manifests a growing realization that some form of integration is inevitable and that the present state of academic and structural fragmentation is worth challenging. Similar developments are taking place in other countries as well, where many universities—even some of the most traditional—are moving away from outmoded and rigid structures. Trinity College Dublin, for example, which was founded in 1592, is now reducing its Faculties from six to three and

its Departments from some sixty-six to twenty-two. These changes are not of a merely managerial nature, on the contrary: they follow the logic of research, where much of the most advanced and relevant developments occur across the boundaries of traditional disciplines. But the changes are also made in response to the changing nature of the employment market for graduates, which calls for qualifications that no longer neatly coincide with the academic disciplines, thus requiring new modular and multidisciplinary study programs.

Whether the "clustering" at UZ can bring about the desirable results is, at this point, difficult to say, and its success will be determined by how it is introduced and developed. If Faculties retain all the independence they currently hold and more or less randomly form a cluster group to defend like-minded self-interests, then this would do nothing but add a further and unnecessary organizational level. However, if **"clustering" means that Faculties would unite to form larger but fewer groups of entities as the new middle level structure under the University umbrella, the Visiting Advisors Team sees many obvious advantages:** apart from being more economical, it would enable the units to offer a freer and wider choice of curricula, as well as enhanced mobility opportunities for both students and faculty members. In other words, "clustering" would ideally create a new logical identity for the University by replacing the old structure, a model that no longer fits the needs of either the institution or the society it serves.

5. Recommendations

Strategic Planning: The Visiting Advisors Team recommends that **UZ develop an action plan or "roadmap"** outlining the future of the University. This action plan would build on the work accomplished by the University since 2000 and be based on the assumption that the new Law of Higher Education will go forward and that UZ will operate within that new framework. The plan should propose a series of action items in areas such as governance/integration, financing, and quality assurance. Other areas for inclusion in the plan will undoubtedly arise. The committee creating the action plan should consult widely with institutional stakeholders and be widely communicative. **The plan should be made public within and beyond the academic community.**

Besides the open academic discussion, which should be allowed to continue throughout the process and before a formal vote is taken, **a small team of experts should be employed by the Rectorate to formulate each step and then carry out or supervise the practical implementation.** Management expertise is most urgently needed in the field of university governance, university finance, quality assurance, international cooperation, and career services for students. Experts could be hired for longer or shorter terms, depending on the concrete needs of the integration reform.

Resources for hiring such a management expert team (either from within Croatia or including international members) should be put together from contributions by the University, individual Faculties, and by the Ministry

of Education. This could be addressed by applying for a special “transformational” grant to help implement requirements of the new Law quickly. In this effort, support from and cooperation with the executive authorities (i.e., the Government) should be sought.

The selection of a holder of the UNESCO Chair in Management and Governance in Higher Education, offered to UZ in the UNESCO-CEPES program, should be carried out with the needs of the institution in mind. Such a person could, besides lecturing, be useful as a practical consultant in the integration reform process.

Principles: In developing the action portfolio, it may be helpful to **articulate a set of underlying values and principles that guide the actions**. Many are already articulated in this report. Possible examples include:

Integration

- The University will seek opportunities to achieve economies of scale through integration of specific functions and services.
- The University will strive to balance coherence and integration with decision-making at the Faculty and Unit level.

Financing

- New financial policies and processes will be transparent across the University.
- Units and Faculties earning revenue will have incentives to do so within University policies and guidelines

Quality Assurance

- The University will establish an overall framework for consistent QA procedures throughout the institution. This framework will allow Faculties and Units to create QA processes that meet their specific needs.
- Student interests will figure prominently in QA.

Transparent criteria: Increased financial autonomy must necessarily be accompanied by increased accountability and transparency of financial policies and procedures. **The University and each Faculty must establish a set of well-defined criteria for the efficient distribution of funds, which in turn requires the elaboration of a plausible methodology for calculating its own costs.** It is essential that these criteria be publicized throughout the University and that every member of the academic community be aware of the system and the policy for assigning funds to various departments.

There is plenty of valuable experience in other countries that have shifted from one funding mechanism to another and that can provide helpful orientation for UZ. In particular, UZ should consider using a performance-oriented approach by linking the distribution of a certain proportion of the budget to output indicators that are in line with the University’s overall strategic goals like, for example, the number of graduates (i.e., degrees awarded) or the number of students that graduate within the recommended time period (reducing drop-out rates and prolonged duration of study).

Pooling Resources: The Rectorate will need significant additional resources to carry out central services that are characteristic for an integrated university. In part, the costs for these services will have to be met by the Faculties, which will need to pool their resources to support the integrated functions. But the Ministry for Education, Science and Sport must also invest in the costs for integration. The reorganization of the Croatian universities should be accompanied by a general increase in the proportion of the GDP allocated to higher education in order to bring it closer to the average public expenditures for this purpose within the EU countries. **An integrated university will undoubtedly be a more effective and efficient institution that will make better use of the resources put to its disposal.**

Lump-Sum Financing: Many universities that operate under a block grant scheme have **introduced a strategic fund at the discretion of the Rectorate or a special committee to support innovative initiatives to open new avenues for the university**, but for which funding would otherwise not be available (like cross-disciplinary study programs or research facilities, promoting stakeholder involvement, or simply organizing a student job fair). The Visiting Advisors Team strongly suggests adopting this model: In relation to the total University budget, the amount needed to create a useful strategic fund is small, but the impact on mobilizing the creative potential at UZ can be enormous.

Tuition Policy: **Our recommendation is to develop a university-wide policy regarding tuition fees.** Such a policy must include a clear implementation strategy that includes instruments for information sharing (for example, the university-wide student database) and monitoring of the implementation and sanctions in cases of non-compliance. This policy needs to be prepared by the Committee on Finances (also including student representatives) and ratified by the Senate.

Redistribution of funds: The discrepancy between “rich” and “poor” Faculties (in terms of salaries, tuition fees, investments, facilities, etc.) undoubtedly has a negative influence on the University as a whole. This is not to say that there should not be any differences at all in terms of the financial resources available to various Faculties. These differences will always exist and can even be seen as a sign of the vitality of an institution. But a well-structured university will make provisions to turn its strengths into opportunities for growth that benefit the entire institution. **This can be achieved by redistributing a certain portion of the tuition fee and other extra income via the central administration to support activities that are of common interest but do not fall under the rubric of a specific Faculty**, such as the University Library, an integrated information technology system, upgrading of student hostels, or the strategic fund that was mentioned earlier. This portion could vary according to the level of non-government income of the individual Faculty (anything between 20–40 percent), though **those units that provide more money should also benefit more**, this being in itself an incentive.

Responsive Management: Part of the obligation that comes with being an autonomous and integrated institution involves responsibility to the

stakeholders within the academic community. With some justification, **more efficiency is expected from the constitution of Committees and Councils** that deal (or are to deal) with various aspects and areas of university administration and management, from quality assurance to finances. As a first step, the Committees and Councils should be given the assignment to produce specific written proposals on tangible improvement and changes in their respective areas, which would be submitted for decision to the Academic Senate. By reviewing the work that has thus far been achieved, the UZ may determine that there are too many committees, or that some require a more visible structure and interconnectedness as far as topical relevance is concerned. Like in the meetings of the Academic Senate, a clearly designed blueprint for action would be a useful basis for better structured, and thus hopefully, more constructive discussions.

Policy on QA: We strongly support the objectives of the Rectorate and the Committee on Quality Assurance to **develop a university-wide policy on quality assurance**. We appreciate that the Committee on Quality Assurance is working on that issue and hope that a policy proposal will be put forward to the UZ Senate as soon as possible. We are also happy to observe that UZ is involved in a TEMPUS project on QA, which can serve as an important source of information and support in the process of policy development. In our view, **the crucial aspect of this policy is the establishment of a central office with expert(s), who would be responsible for the implementation and further development of the policy**. In particular, the office should provide guidance and support to individual Faculties and departments in elaborating their QA procedures and coordinating the sharing of best practices among the faculties and departments of UZ. **Such a policy should also ensure that there is a clear procedure for registering complaints on quality from the students, and that the identity of students filing complaints is protected.**

Student Participation: A very important aspect in respect to the integrated university is the participation of the student body in the life of the institution. In the interest of reducing fragmentation, the Visiting Team recommends that the funding for student government should be organized and allocated through the individual university, rather than via direct governmental financing as it is currently the case. This shift would, of course, require corresponding changes in the organization of the student government associations, and in the representation by students in the governing bodies of the University. We strongly encourage the University of Zagreb to make efforts that can help deepen the students' loyalty to their *alma mater* through enhanced student services and improved communication between the administration and the students. The graduates of UZ should be considered one of the institutions most valuable resources, but one which can be utilized only through careful planning and attention. As was mentioned earlier, a comprehensive database of students, and the systematic follow-up with graduates are essential, particularly for services such as the career counseling and vocational guidance centers.

Conclusion

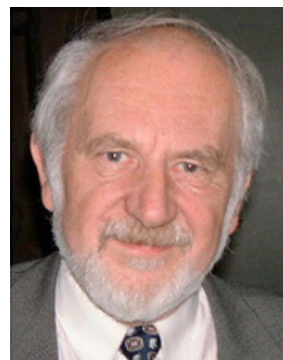
Full university autonomy is defined by the Bologna Magna Charta Universitatum, of which Zagreb University is a signatory; autonomy offers a guarantee not just of a functional governance system but also of academic freedoms, which are as incontestable in the twenty-first century as they have been in the past. It is essential for universities to continuously justify such privileges as independence and freedom of teaching, learning, and research, which are the vital conditions for the creation and diffusion of knowledge. This is the only manner in which the university can act in the interests of society at large and benefit humanity in general. It is the basic argument for the existence of such centers of learning: an integrated university can fulfill this mission better than any other kind of organization. Correspondingly, it is by fulfilling this mission that the integrated university can make its greatest argument for the need and the right to fuller university autonomy and the consequential rights and responsibilities that accompany such liberty.

The Visiting Advisors wish to express our sincere appreciation and respect for the tireless efforts of the leadership team and their supporters at the University of Zagreb to affect a common understanding of the need for transformational change and a new strategic direction, both of the institution and of the Croatian higher education system as a whole. Many of these efforts have been channeled into the formulation of a new Law on Higher Education, which marks a definite step towards a more promising future. Once the remaining squirms regarding the implementation of this Law are removed, it will be time to match the words with action. The observations and suggestions provided by the Visiting Advisors Team are intended to offer support and leverage for those changes that can unleash the enormous potential of the University of Zagreb.

Visiting Advisors

Josef Jarab, Czech Republic - Team Leader

Josef Jarab was rector of Palacký University, Olomouc, Czech Republic from 1989 to 1997. He has been a professor of English and American literature there since 1990 and director of the Center for Comparative Cultural Studies since 1996. From 1997 to 1999, Professor Jarab served as rector and president of the Central European University in Budapest, Hungary and Warsaw, Poland. From 1997 to 1999, and again in 2001 he was elected member of the Parliamentary Assembly of the Council of Europe in Strasbourg, where he has been vice chairperson of the Liberal, Democratic and Reformers group of Parliamentary Assembly and the chairperson of the sub-committee on the media since 2002. He is currently a senator of the Czech Parliament for the constituency of Opava and chairperson of the Committee for Foreign Affairs, Defense and Security of the Senate. He has been a member of the board of the Association of European Universities, and is presently a member of the Czech Committee for UNESCO and of the Standing Committee for Humanities at the European Science Foundation. Professor Jarab holds a Ph.D. in literature from Charles University, Prague, and is a graduate in English and Russian philology from Palacký University. He is a member of the Universities Project Advisory Committee.



Sven Caspersen, DENMARK

Sven Caspersen has been rector of Aalborg University, Denmark since 1976. He was a member of the founding committee of the University and began his tenure at the institution as professor of statistics. Professor Caspersen was head of the Department of Theoretical Statistics at the Copenhagen Business School from 1970 to 1973, prior to which he served as head of the Department of the Danish Federation of Insurance Companies' Statistical Office. He is currently president of the International Association of University Presidents and chair of the Danish Parliament's Advisory Board on European Matters. He has served as chair of the European Capital Markets Institute in Copenhagen, president of the Federation of European Stock Exchanges in Brussels, and chair of the Copenhagen Stock Exchange. Professor Caspersen has received honorary doctorate degrees from universities in the USA, Lithuania, Mexico, and Romania and holds an M.Sc. in economics from Copenhagen University.



Madeleine Green, USA

Madeleine Green is vice president and director of the Center for Institutional and International Initiatives at the American Council on Education (ACE), the major voluntary coordinating body for American higher education, which includes 1800 member institutions and associations. Dr. Green has served as an ACE staff member since 1974 and as vice president since 1987. She currently oversees ACE's international agenda, which has a major focus on research and good practice in internationalization. Dr. Green has written numerous articles and essays on management, leadership, and international issues in higher education and is the editor or co-author of five books. She is a member of the Board of Trustees of Sweet Briar College, Virginia; chair of its Educational Programs Committee; and a deputy member of the board of the International Association of Universities. She previously served as a trustee of Wilson College, Pennsylvania. She holds a B.A. magna cum laude from Radcliffe College/Harvard University, Massachusetts and M.A. and Ph.D. degrees in French literature from Columbia University, New York. Dr. Green is a member of the Universities Project Advisory Committee and has participated in many Universities Project Symposia and consultant visits by Visiting Advisors Program teams.



Manja Klemencic, Slovenia

Manja Klemencic is a doctoral candidate in international studies at the Center of International Studies at the University of Cambridge and Corpus Christi College, UK. From 2003 to 2004 she is a Fulbright Visiting Researcher Fellow at the Center for Business and Government, Kennedy School of Government, Harvard University, Massachusetts, USA. Her research focuses on negotiations in international systems, in particular the EU, and seeks to answer the question of how an individual member state can realize its interests within such a system. From 1999 to 2001, Ms. Klemencic worked as secretary general of the National Unions of Students in Europe, the European student platform representing more than 10 million students from 37 countries, based in Brussels, Belgium. During her undergraduate studies she established the Slovenian Debate Program with the assistance of the Open Society Institute, where she acted as national program coordinator and debate trainer. She is currently co-editor of the European Section of the Cambridge Review of International Affairs; and cooperates with the Slovenian Government on issues related to the Convention on the Future of Europe. Ms. Klemencic holds a B.A. in international management from the School of Business and Economics, Maribor, Slovenia and an M. Phil in European Studies, University of Cambridge, UK. She is an alumna of the Salzburg Seminar's Universities Project and was a participant of the Salzburg Seminar/Fetzer Institute Sessions in 2001 and 2003.



Jochen Fried, Germany

Jochen Fried is director of the Universities Project of the Salzburg Seminar. Prior to joining the Seminar in 1998, he worked as head of programs at the Institute for Human Sciences in Vienna, and as senior officer in the secretariat of the German Science Council in Cologne, Germany. After receiving a doctorate in German literature from Düsseldorf University, Germany in 1984, he was lecturer at Cambridge University, United Kingdom and at the University of Ljubljana, Slovenia under the auspices of the German Academic Exchange Service. Dr. Fried's main area of professional interest is higher education and research policy. He serves as an expert for the Austrian Federal Ministry for Education, Science and Culture, and is a member of the editorial board of the UNESCO-CEPES quarterly review *Higher Education in Europe*.



Time	Topic	UZ Participants
Monday, April 12		
	Arrival	
14:30 – 15:30	Lunch	
15:30 – 17:00	Presentation of the Program	Rector and Vice Rectors
17:00 – 18:30	Team Debriefing Meeting	
19:00	Welcome Dinner	
Tuesday, April 13		
9:00 – 11:00	Bologna Study Scheme (until now as well as future activities)	Faculty of Agriculture; Faculty of Mechanical Engineering and Naval Architecture; Academy of Fine Arts; Croatian Studies; Faculty of Political Science; Faculty of Architecture; Faculty of Food Technology and Biotechnology; Academy of Dramatic Art; Teacher Education Academy
11:00 – 11:30	Coffee break	
11:30 – 13:00	Meeting with Students	Student Council
13:00 – 14:30	Lunch	
14:30 – 16:30	Quality Assurance	Faculty of Textile Technology; Faculty of Transport and Traffic Engineering; Faculty of Dental Medicine; Faculty of Veterinary Medicine; Faculty of Metallurgy; Faculty of Education and Rehabilitation Sciences; Faculty of Mining, Geology and Petroleum Engineering; Faculty of Organization and Informatics; Academy of Music; Faculty of Geodesy
16:30 – 18:30	Team Debriefing meeting	VAP Team
19:30	Dinner	
Wednesday, April 14		
09:00 – 11:00	Functional and Organisational Integration of the University	Medical School; Faculty of Science; Faculty of Chemical Engineering and Technology; Faculty of Kinesiology; Faculty of Law; Faculty of Philosophy; Faculty of Civil Engineering; Catholic Faculty of Theology; Faculty of Geotechnical Engineering
11:00 – 11:30	Coffee Break	
11:30 – 13:00	Financing of the University	Graduate School of Economics and Business; Faculty of Forestry; Faculty of Electrical Engineering and Computing; Faculty of Pharmacy and Biochemistry; Faculty of Graphic Arts
13:00 – 14:30	Lunch	
14:30 – 16:30	Meeting with Deans	
16:30 – 19:00	Team Debriefing Meeting, Preparation of the Report	VAP team
19:30	Dinner – debriefing cont.	VAP team
Thursday, April 15		
08:30 – 10:00	Preparation of the Report	VAP team
10:30 – 12:00	Presentation of the Oral Report to the Rector	
12:00 – 13:00	Lunch	
13:30 – 18:30		
19:00	Dinner	

THE UNIVERSITIES PROJECT OF THE SALZBURG SEMINAR

Universities throughout the world are undergoing systemic changes in their governance, academic design, structure, and mission. From 1998 to 2003, the Salzburg Seminar's Universities Project focused on higher education reform in Central and East Europe, Russia, and the Newly Independent States as universities in these regions redefined their relationships with governments and try to become more integrated into the global intellectual community.

The Universities Project was a multi-year series of conferences and symposia convening senior representatives of higher education from the designated regions with their counterparts from North America and West Europe. Discussion in the Project's programs focused on the following themes:

- University Administration and Finance
- Academic Structure and Governance within the University
- Meeting Students' Needs, and the Role of Students in Institutional Affairs
- Technology in Higher Education
- The University and Civil Society

OBJECTIVES

Universities and other institutions of higher learning are seeking to reshape themselves in ways that will prepare them more fully for the twenty-first century. Even as these institutions are considering extensive systemic changes in their academic design, structure, and mission, all desire autonomy in governance and in their intellectual life. Accordingly, the Universities Project aimed to promote the higher education reform process by inviting senior administrators to participate in conferences and symposia concerning issues of university management, administration, finance, and governance.

THE VISITING ADVISORS PROGRAM (VAP)

The Salzburg Seminar launched this enhanced aspect of the Universities Project in the autumn of 1998. Under the VAP, teams of university presidents and higher education experts visit universities in Central and East Europe and Russia at the host institutions' request to assist in the process of institutional self-assessment and change. By the end of 2004, more than seventy VAP visits will have taken place to universities in East and Central Europe and Russia. The addition of the Visiting Advisors Program brought to the Universities Project an applied aspect and served to enhance institutional and personal relationships begun in Salzburg.

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FOR MORE INFORMATION

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