

The Fifth Conference on Higher Education Reforming at the University of
Sarajevo
“Further Trends in Reforming Higher Education in Accordance with Bologna
Principles”
14-15 April 2011

Financing Higher Education Reforming within the Context of Further
Improvement of Quality Management System and University Integration
Prof. Dr Faruk Čaklovica, Rector of the University of Sarajevo

The strategic directions of teaching-scientific and artistic development in the segment of encouraging dynamic and cohesive societies in propose of backing up economic prosperity of a country and the region, are related primarily to the higher education reforming.

The global purpose of reforming is development of a modern and entrepreneurially oriented university that will educate trained professionals to be current leaders of economic, educational, scientific-research, sports and general social development.

By presenting this paper we want to indicate that University of Sarajevo strategically works in a direction of finding the most rational solution regarding the problem of financing scientific-teaching and artistic processes that shall serve to progress of initiated reforming process and profiling of a university that is capable to meet tomorrow's challenges.

The motto is: “Give opportunity to coming generations to develop their intellectual capacities”.

The Dayton Peace Agreement established an asymmetrically decentralized system of higher education financing (BH entity RS, Cantons in the FBiH Entity, and The Brčko District), making it in the current legally-constitutional and political situation vulnerable, and ideologically dependent on political elites.

Such position of universities in B&H slows down and makes difficult harmonizing of a higher education system and integration into the European Academic Area.

Therefore, a significant attention must be paid to the university financing, even when it lacks political will, primarily out of reasons that HE in Bosnia and Herzegovina is in the stage of undergoing the Bologna Reform and demands increased transparent financing which is one of key indicators of studying quality.

This paper should destroy the stereotype on university financing, in one hand and in other that higher education is merely a cost.

It should be explained and understood that this mutual interest and task (university-government) should never be opposing sides.

With actual budgetary and own revenues we should understand that it is not adequate financial support for the scientific-teaching process at the University of Sarajevo.

The Bologna criteria and standards are a concrete, not abstract, and necessary financial assets for supporting this reformation should be also stabile.

Therefore, financing must be transparent, and given financial assets responsibly spent and at the disposal to home and overseas interested parties.

With so far form of financing so called “poll tax” financing the educational cycle cannot be completed. i.e. to meet its standards and criteria.

According to Bologna, the load is getting bigger as well as obligations and standards, and financing stays insufficient or even stagnating.

In such organized B&H with uncertain transitional environment in which higher education must receive higher financing and follow the quality of education that finally must give results significant for overcoming this hard economic situation.

We must follow trends in neighboring countries and countries with developed economy for example:

Serbia allocates per a fulltime student 4.500KM;

Croatia allocates per a fulltime student 6.000KM;

Austria allocates per a fulltime students 12.000KM, whilst the budget of the “Karl-Franc” University of Graz is 650 millions of KM;

Spain allocating 14.000 KM/per student;

Norway and Great Britain are allocating 18.000 KM per student, whilst the budget of University of Manchester is 1,4 billions of KM.

In 1984 University of Sarajevo was receiving 6800KM/student of assets from the state, while in 2008 1700 KM/student, and in 2010 3400 KM/student (budgetary and own assets).

An example of positive solution in higher education financing can be seen in this example:

A one US dollar invested in higher education gives effect through the multiplying in economy to 14 \$, and a 1\$ is being taxed by the state through the multiplying with 1,4 \$ (University in Virginia).

It is important to mention that governing organs of faculties/academies and University must check whether is there an absurd in business dealing and financing including all irregularities must be systematically removed (unjustified expenses).

In the situation of recessions in B&H with uncertain ending, when budgetary allocations for financing the University are more and more inefficient and uncertain, one must find other safe way of financing that shall be in the propose of safe and proposers teaching process.

The way out can be found in increasing financing through own revenues, with guarantee to protect academic standards and preventing the commercialization of every form.

The purpose of integration is const rationalization and then autonomy of acadעי community (socially responsible) governs the University system.

Out of everything aforesaid, it is necessary to secure increase of financial assets allocation to faculties and academies according to real-time costs of theoretical and practical teaching costs, i.e. instead of aprox. 67 millions of KM the level of investing should reach the level of 107 millions of KM, or respectively it is necessary to secure more than cca. 40 millions of KM, for reaching the defined standards and key values quality assurance in teaching process.

The example form practice is to have these allocations secured through the interaction of higher education institutions with the social community, or economic subjects.

- I) The solution for this problem is possible to find through the combination of optimizing and rationalizing given assets per expenditure levels.
- II) The interaction with economic milieu – increase the incomes by implementing home projects, intellectual services, expertises etc. and

from the EU funds dedicated to scientific projects financing (40 billions of Euros)

- III) Increase the income by implementing the lifelong learning in the partnership with economic, state and institutions of sport and culture
- IV) Increase assets allocating for science and higher education by founders, and entity and state levels of government.
- V) By establishing a trust by the University of Sarajevo that will secure asses through ALUMNI associations, for example a 1% of total salary of University of Sarajevo's experts is monthly amount of 10 KM, yearly 120 KM, from 100 000 experts. The annual income would be 12 millions of KM, for this and future opportunities mean a lot and a safe influx on financial assets. It also means that an expert its 40 years work span would pay into the fund an amount of 4800 KM, an amount standing for only a one year fee for studding at the private university.