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**The effects of Europeanisation on institutional diversification in the Western Balkans**

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# Abstract

A lack of diversity among HE institutions is coming to be seen as one of the key weaknesses of European higher education [HE]. The European Commission [EC] suggests that a low degree of diversification - implying uniformity and egalitarianism among HE institutions - is an obstacle, indeed “a bottleneck”, to achieving excellence and efficiency at the system level. The key question investigated in this article is to what extent national policy developments reflect the European recommendations on institutional diversification. In other words, to what extent can we speak about Europeanisation in the sense of policy adaptation and institutional change towards institutional diversity? This question is explored in the context of four Western Balkan countries: Albania, Croatia, Serbia and Slovenia. The article first reviews the European positions and recommendations on institutional diversity focusing on those formulated by the EC. The second section is devoted to the analysis of the key strategic and regulatory documents concerning institutional diversity within the last decade in the four Western Balkan countries. This section highlights what are the key dimensions of institutional diversity pursued by the respective governments, and how they are pursued. The article closes with a discussion of the key drivers for diversification within the national contexts, and how these play out with the impulses coming from the European context.

Keywords: institutional diversity, institutional diversification, Europeanisation, diffusion, Western Balkans, HE reforms

# Introduction

A lack of diversity among HE institutions is coming to be seen as one of the key weaknesses of European HE. Diversity is defined here as ‘[…] the existence of distinct forms of post-secondary education, of institutions and groups of institutions within a state or nation that have different and distinctive missions, educate and train for different lives and careers, have different styles of instruction, are organised and funded and operate under different laws and relationships to government’ (Meek et al. 2000, 3). Institutional diversification within national HE systems, as ‘a process by which a system becomes more varied or diverse in its orientation and operations’ (Teichler 2008), is widely believed necessary to achieve two important goals: more equity in terms of access to a wider variety of students, and more excellence through institutional specialisation. The argument goes that a single European country, even a large one, cannot sustain several world-class universities that are similar in function and scope. Furthermore, every country needs a variety of HE institutions that address the needs of an expanding and increasingly diversified body of students, and the ever more precise expectations and demands of the knowledge society and economy.

Institutional diversity has several – interrelated – dimensions (Huisman 1995; Huisman et al. 2007). Such complexity poses a challenge for the researcher to select features that are meaningfully depicting both the similarities and the differences within the system or systems (cf. Huisman et al. 2007). Drawing from extant literature on the topic (Huisman 1995; Meek et al. 1996; Meek and Wood 1998; Neave 2000; Huisman et al. 2007; Teichler 2008; Teixteira et al. 2012), and taking into consideration the prevailing characteristics of the Western Balkan region, this paper explores institutional diversity in terms of types of institutions according to a) binary divide (i.e. university versus other professional and vocational HE institutions); and b) control found in the system (i.e. public versus private institutions). Indeed, these are the basic diversity indicators, which have been in scholarly and policy documents of the last decade supplemented by more advanced notions of diversity such as that of substantive profiles, i.e. relating to focus of activities, mode of teaching, student and staff profiles, target communities, etc. (Teichler 2008; Reichert 2009).

The national HE systems vary not only in terms of the existing degrees and dimensions of institutional diversity, but also in terms of diversification-promoting policies pursued by governments. In European countries with predominantly public sector HE institutions, the governments undoubtedly have a critical influence on systemic diversity (Codling and Meek 2006). The expectation that autonomous institutions given enough independence will automatically diversify when operating in competitive market has largely been rejected (ibid.). The argument goes that in the absence of government intervention on this issue, institutions – in a homogeneous environment – will have a natural tendency to isomorphic behaviour ultimately resulting in increased institutional convergence. With various regulatory and funding mechanisms, governments can initiate and sustain differences between institutions and hence influence institutional diversity (ibid.).

There are basically three main types of interventions they have at disposal. The first type includes regulations of the formal diversity dimensions, namely types of institutions and HE structures, and levels of programmes and degree structures. For example, the existence of a binary system, at least in theory, guarantees that at least two distinct types of institution – professional and research-oriented - will exist within a HE system. Similarly, provisions for private, extension and virtual-type universities add to the diversity of types (Guri-Rosenblit 2001). Second, funding is widely perceived as the most effective policy instrument to promote institutional diversification (Codling and Meek 2006). Codling and Meek (2006, 14) propose a funding scheme that is overtly directed at institutional diversification as a best strategy to achieve this goal: ‘The greater the financial incentives within a HE system that do have explicit diversity objectives, the greater the potential for systemic diversity’. They argue against uniform funding regimes on the grounds that institutions that are funded in exactly the same way for the same outputs will inevitably mimic the most successful among them in order to maximize their income (ibid.). Third, accreditation and quality assurance procedures are seen as important accompanying measures reinforcing the diversification policy. They are, however, unlikely to enforce diversification objectives on their own, i.e. in absence of an appropriate funding regime (Guri-Rosenblit et al. 2007, 378).

But how do the governments come to decide to apply these mechanisms and how? The impulses come certainly from the HE conditions and developments, and broader political, economic and social goals in national systems. Slovenia, Croatia, Serbia and Albania, the four Western Balkan countries considered in this article, all lie at the European ‘periphery’, and are of a relatively small size in terms of territory, economy and HE systems. All of them underwent a transition from some-type of a centrally planned economy to a more market oriented one, within a democratic political framework. And in all, the HE landscape is changing at a rapid pace. Substantial HE reforms have been undertaken since 1990ies prompted by political and economic reforms (and in the case of former Yugoslav republics also statehood-building) and massification of student demand for educational services (Zgaga 2010, 2012).

At the same time, the impulses for domestic HE reforms come from abroad. The environment which shapes what is valued by governments (and institutions) and influences their behaviour extends from national to international context. Indeed, the recommendations coming from the Bologna Process and the EU initiatives such as the Lisbon Agenda (and its EU Modernisation agenda for universities) resonate in national governments’ decisions on what are viable and – indeed – desirable HE policies. The key question investigated in this article is to what extent national policy developments reflect the European recommendations on institutional diversification. In other words, to what extent can we speak about Europeanisation in the sense of policy adaptation and institutional change towards institutional diversity?

# Conceptualising Europeanisation

In European studies, there is a widespread Europeanisation research investigating the EU’s impact on the domestic policies, institutions, and political processes of member and prospective member states (Börzel and Risse 2012, 1; for an elaborate literature review see Vukasović 2012). The mechanisms of international influence on domestic institutional change span from direct mechanisms of influence, such as legislative coercion, positive and negative incentives, socialisation and persuasion to indirect mechanisms of emulation (Börzel and Risse 2012). The main difference between the direct and indirect mechanisms, as stipulated in diffusion approach, is in determining the active agent of diffusion. In direct mechanisms of influence, the EU (or other international actors) actively tries to diffuse their ideas into the national context. At the same time, the agents at the receiving end are not ‘simply passive recipients of EU policies and institutions’ (Börzel and Risse 2012, 8). Rather, the process of the adoption of and adaptation to international recommendations mostly involve active processes of ‘interpretation, incorporation […], and also resistance’ (ibid.). In contrast, the indirect mechanism of emulation does not presuppose a necessary active and direct involvement of the international actor. Emulation can happen because domestic agents are actively seeking solutions to solve particular domestic problems and find best practices that could be transferable into domestic context (ibid.).

Socialisation through political dialogue and technical cooperation and persuasion through recommendations, country reports, and stocktaking reports are common mechanism applied by the EU to diffuse their recommendations into domestic context. In domains of HE policy, the EU cannot apply legislative coercion as member states have not transferred decision-making powers to the EU institutions. EU cooperation in education and training is conducted through the open method of cooperation which is based on common objectives, reference tools and approaches, and draws on mutual (peer) learning and the exchange of good practice, periodic monitoring and reporting (European Council 2009; EC 2008c; Gornitzka 2005). The underlying expectation is that through communication, socialization, social learning and peer pressure non-coercive transposition of norms, ideas, and collective understandings will take place across participating countries.

In addition, the EU routinely uses positive incentives in the form of technical and financial assistance towards capacity building. Capacity building provides targeted actors (governments and institutions) with resources to either begin certain reforms or to support the reforms that have already begun (cf. Börzel and Risse 2012). Over the last decade, HE reforms have been supported through several funding lines: Lifelong Learning Programme, the Tempus programme and the EU's programme for worldwide academic cooperation: Erasmus Mundus, the 7th EU Framework Programme for Research, but also the less known ones like the Instrument for Pre-accession Assistance [IPA], the European Neighbourhood and Partnership Instrument and the Development Cooperation Instrument (European Union 2010). Perhaps one of the most structured mechanisms of assistance is the Higher Education Reform Project funded by the EC which provides several trainings and thematic seminars for the National Teams of Bologna Experts and of the Higher Education Reform Experts in Tempus partner countries as well as other categories of persons involved in the modernisation of HE.[[1]](#footnote-1) The Western Balkans countries are all subject to intense EU intervention in terms of financial and expert support; albeit to varying degrees and through different mechanisms in different countries (Vukasović 2012). Slovenia and Croatia are both an EU member and a candidate member - expected to join in 2013 - and as such subject to EU regulations and eligible for all EU funding. Serbia as a candidate country since 2012 and Albania in the pre-accession stage both rely especially on TEMPUS, Erasmus Mundus and IPA funding. Since 2007 they also participate in the 7th Framework Programme. For Serbia and Albania, funding from private and public donors, such as especially World Bank, is also characteristic.

The difficulty in Europeanisation studies of change is in establishing clear causal mechanisms as causes range from several international and domestic sources (Elken et al. 2011, 27). Acknowledging this difficulty, the analysis in this article is conducted on two levels. First, the article reviews the key European recommendations towards institutional diversity. In absence of concrete policy proposals from Bologna Ministerial Communiques it focuses on the policy recommendations coming from the EU, which are arguably the most elaborate amongst the members the Bologna Process. As indicated already earlier, the EC is a particularly vocal advocate of institutional differentiation. The key question here is what EU’s position on institutional diversity is and what policy instruments it advocates. Next the analysis moves to the national level investigating and national regulatory and strategic documents within the past decade and tracing evidence of European recommendations. The final section concludes with discussion on the effects of Europeanisation on institutional diversity in the Western Balkans.

The data for this article is obtained through content analysis of regulatory and strategic documents and interviews conducted through the project *Differentiation, Equity, Productivity: The Social and Economic Consequences of Expanded and Differentiated Higher Education Systems – Internationalisation Aspects* (DEP-08-EuroHESC-OP-016; 2010–2012) (CEPS 2012).

# European policy recommendations on institutional diversification

The factors influencing the governments’ choices regarding HE policy are no longer bound to the national context. Prior to the Bologna Process the national HE policies were formulated using international cross-country comparisons as a tool for reflection (Huisman et al. 2001). After the initiation of the Bologna Process in 1999, a new forum evolved providing a space for various policy issues to emerge, develop and possibly diffuse into the national and institutional levels (Kehm et al. 2009). Indeed, the Bologna Process transformed HE policy making ‘from an almost exclusively national affair with some international influences to one where national policy is systematically considered within a Europe-wide framework’ (Westerheijden et al. 2010, 38). In the early stages of the Bologna Process, it was effectively Bologna recommendations that “captured” HE reform agenda across EHEA (Gornitzka 2010, 11). Those recommendations have largely focused on the structural convergence and convergence in terms of quality assurance systems in order to support mobility. Within a couple of year, in the – subsumed – policy arena of the European Union, another powerful discourse has been launched putting HE into the centre of the economic competitiveness. Lisbon Agenda, an influential action and development plan for the European economy, paved the way for a more elaborate HE policy to be proposed by the EC. From 2003, a series of influential policy documents and related financial instruments were developed under a general heading of “HE modernisation agenda” (EC 2003, 2005, 2006, 2008a, b). Both Bologna and EU HE reform discourses became increasingly intertwined. Scholarly work suggests that the Bologna Process has been absorbed into the more general “stream” of the Lisbon Agenda through a progressive convergence of documents (Capano and Piattoni 2011, 586). Specifically, the strategic role of HE in the promotion of competitiveness of European economy set out in the Lisbon Agenda has had implications on certain emphasises within the Bologna documents, and, more broadly, on the governance, funding reforms as well institutional diversity within the EHEA.

There are several notions of diversity featuring within this overarching Bologna policy context. At the core of the Bologna Process lies, of course, the structural convergence in terms of degree structures and mobility tools. With structural convergence increasing, other aspects of diversity in HE systems become accentuated, in particular the diversity of HE institutions (Guri-Rosenblit et al. 2007, 380). The message from the Bologna Ministerial communiqués highlights that structural convergence should not diminish the inherent diversity of HE institutions; but does not go beyond this declarative statement. As Huisman and van Vught (2009, 22) observe, the Bologna Declaration and the following communiqués ‘highlight the importance of diversity of HE systems, but in ambiguous terms’, and with no clear indication of what aspect of diversity is worth pursuing beyond the general notions of linguistic and cultural diversity. It is only if we take a closer look at the policy documents issued by especially the EC in the framework of the “Modernisation Agenda for Universities” that we find institutional diversity vocally promulgated as a policy goal.

In the sequence of the Commission’s communications we witness ever stronger and more precise statements in favour of institutional diversification accompanied with concrete policy recommendations. The initial Commission’s promulgation of institutional diversity lies within a genuine concern regarding ‘*how to concentrate enough resources on excellence, and create the conditions within which universities can attain and develop excellence*’ (EC 2003, 2). It notes the importance of the emergence ‘*of more specialised institutions concentrating on a core of specific competences when it comes to research and teaching and/or on certain dimensions of their activities, e.g. their integration within a strategy of regional development through adult education/training’* (EC 2003, 6). In line with this note, the Commission adopts a straightforward language regarding the desirability of institutional diversification (EC 2003, 18): *‘A combination of the absolute need for excellence, the effects of the precariousness of resources and the pressure of competition, forces universities and Member States to make choices. They need to identify the areas in which different universities have attained, or can reasonably be expected to attain, the excellence […] and to focus on them funds to support academic research […], as no Member State is capable of achieving excellence in all areas’.* Such “increased specialization” of the universities, according to the Commission, does not preclude the natural link between research and teaching, but it is nevertheless ‘*not the same in all institutions, for all programmes or for all levels*’ (ibid.). The stress in this initial communication is clearly on achieving excellence and institutional diversification as a means to achieve it.

The following Commission’s communication (EC 2005, 3-4) strengthens the language of the desirability of institutional diversity even further. Importantly, it also accentuates the argument of improved access besides achieving excellence. The basic proposition is that a low degree of diversification - implying uniformity and egalitarianism among HE institutions - is an obstacle (“a bottleneck”) to achieving excellence and efficiency at the system level (EC 2005, 3-4): *‘Most universities tend to offer the same monodisciplinary programmes and traditional methods geared towards the same group of academically best-qualified learners – which leads to the exclusion of those who do not conform to the standard model. Other consequences are that Europe has too few centres of world-class excellence…’.*

In the initial communications, the recommendation on how to achieve this diversification objective focuses on funding. The Commission unambiguously states that ‘*the concentration of research funding on a smaller number of areas and institutions should lead to increased specialisation of the universities, in line with the move currently observed towards a European university area which is more differentiated*’ (EC 2003, 18; see also EC 2005, 5). This *‘requires more competition-based funding in research and more output-related funding in education*’ (EC 2005, 8). In other words, ‘*[*u*]niversities should be funded more for what they do than for what they are, by focusing funding on relevant outputs rather than on inputs, and by adapting funding to the diversity of institutional profiles*’ (EC 2006a, 7-8). It then further explicates diversification of funding schemes as follows (EC 2006a, 8): *‘Research-active universities should not be assessed and funded on the same basis as others weaker in research but stronger in integrating students from disadvantaged groups or in acting as driving forces for local industry and services. […] Each country should therefore strike the right balance between core, competitive and outcome-based funding (underpinned by robust quality assurance) for HE and university-based research. Competitive funding should be based on institutional evaluation systems and on diversified performance indicators with clearly defined targets and indicators supported by international benchmarking for both inputs and economic and societal outputs’.*

From about 2008 on, another (complementary) recommendation on how to promote institutional diversification becomes highlighted. A new emphasis on the transparencyof university missions and performances can be noted from the Commission’s documents and – even more – from its project funding. Several pilot projects exploring ways to enhance the transparency and comparability of the missions and performance of HE institutions, and indeed ways to rank the institutions, have obtained Commission funding (EC 2008b, 21). These tools are seen as complementing the quality assurance reports, which according to the Commission (EC 2008: 6) ‘*contain a wealth of information, but they do not provide comparison*’. The various transparency and performance measuring tools developed are intended not only at making institutional diversity in Europe more transparent, but also to help institutions ‘*to better position themselves, improve their development strategies and find the most suitable partner institutions*’ (EC 2008, 7). EC considers rankings as ‘*a useful tool for comparison and contrast between HE institutions and their programmes*’ (EC 2009, 25).

The question that now emerges is to what extent cab we trace these policy recommendations in the strategic and regulatory documents of the four Western Balkan countries? All have been members of the Bologna Process, and have – to different degrees and through different funding mechanisms - participated in the EU education and research initiatives. What policies regarding institutional diversification are pursued in Albania, Croatia, Serbia and Slovenia?

# Review of current national policy initiatives on institutional diversification

Comparing the countries’ strategic and regulatory documents in terms of their institutional diversification strategy we can derive two main findings regarding the prevailing dimensions of diversity promoted, and the support measures in funding, accreditation and transparency tools.

First, all countries have been working on consolidating binary structure acknowledging that earlier efforts have not been fully successful. For example, in Albania, the HE Strategy 2008-2013 recognises that ‘the current system is highly homogeneous and does not encourage HE institutions to undertake any activities’ (Albania 2008, point 7). In the preamble of the Croatian Draft Law on Universities released in 2011, it is stated that the binary structure has not fully actualised. Professional studies continue to be performed also in universities, where they are considered “more demanding” than those performed in professional HE institutions (Croatia 2011, 3). Accordingly, the Croatian Directions for strategy for education, HE and science and technology (Croatia 2012, 30) stipulate that ‘all colleges cannot and should not be in the same way [as universities] research-driven’. In Serbia, the new HE strategy is forthcoming in directing the academies of professional programmes, academic of professional schools and professional schools towards development of professional education with allusion to “profiling” towards meeting the needs of the regions where they are located (Serbia 2012, 4). In addition, the strategy also aims at developing competency indicators for domestic HE institutions and to boost a few universities to improve their standing in international university rankings (Serbia 2012). In Slovenia, the HE Programme of 2011 puts diversification as one of the four main policy priorities for the future reform of the system (Slovenia 2011). The idea is to remedy the situation ‘in which all HE institutions attempt to be more or less equal and good in all areas and fulfil all goals or roles of HE’<0} {0>Takšna kultura delovanja ne vodi k odličnosti in konkurenčnosti, temveč k povprečju, saj ne morejo biti vse institucije najboljše in to celo na vseh področjih.<}0{>(Slovenia 2011, 24). One of the measures suggested has been redefinition of the binary system by clear separation of professional and university study from the point of view of the content, implementation and organisation: ‘universities would no longer include professional colleges and would not perform professional study programmes’ (Slovenia 2011, 9-10).

The more advanced level of institutional diversification, institutional profiling as advocated in European documents, features unequivocally only in policy documents of Slovenia and Croatia, and only in most recent documents. In Slovenian strategy of 2011, the policy goal is to enable HE institutions to profile – in terms of organisation, programme and operation: ‘HE institutions will select their own profiles based on their fundamental mission, type and level of educational offer and achievement of excellence in selected areas’ (Slovenia 2011, 31). In Croatian policy documents there are also indications of the intention towards institutional profiling: not in the stipulations regarding institutional development, but in the proposed funding arrangements (see below). In Serbian and Albania discourse institutional profiling as such does not come forward. There is, however, ample mentioning of striving for research excellence. Albanian Strategy suggests merging the independent academies with universities to strengthen the research universities. Serbian strategy expresses intentions of investing into few research universities to climb the ranks of international universities rankings.

While research excellence is a common denominator of all most recent policy documents, another rather prevalent feature is strengthening of professional and vocational education in regional centres. This objective does echo some of the early Commission’s recommendation, but it is also clearly strongly domestically driven. Regional development is high on the political agenda in all countries and it is one of the persistently salient political issues. Croatian and Albanian documents are especially elaborate in promoting polycentric development of HE. The idea is to establish public and/or private institutions in regional centres, which would have primarily vocational teaching profile, and possibly offer applied research and development to the needs of the local communities (Albania 2012: 53).

Another prevalent feature in policy documents (and discourse) in the four countries is concerning private HE providers. All countries have undertaken legislative changes providing for emergence (and expansion) of private HE. In the countries where private higher education institutions were present, the legislation enabled equal legal treatment of private and public HE institutions in terms of regulation and recognition of degrees (Vukasović 2009, 72). In Albania, private HE plays such a prominent role in the national HE strategy that a Department of Private Education Development was created with the aim of encouraging the development of private education. The government website states that private education is considered ‘an important alternative in the provision of public services in the field of education, which improves the conditions under which the market operates, enhances competitiveness and encourages educational service quality’. In all countries except Slovenia there is a clear distinction between private and public in terms of their financing. In Slovenia, however, most private institutions qualify as government-dependent (Klemenčič 2012); they have private governance, but private sector dominates in the contribution to their budget (Teixteira et al. 2012). Even though private HE covers a relatively small share of student population (i.e. less than 20%), the differentiation between features prominently in the public and political discourse in all countries (for details see Klemenčič 2012).

Next, there is a quite a diversity between the four countries in terms of instruments to promote diversification. Funding mechanisms of Slovenia and Croatia are most closely aligned with European recommendations. They include performance (output) based funding with explicit diversification objective. Concretely in the Slovenian case, the novelty is in rewarding performance on the basis of the agreed strategic goals and institutional profiles. A revised system of funding would allow the institutions to negotiate with the government for substantial additional funding for diversification. On top of the basic lump-sum, the institutions ought to be able to apply for funding for development and competitiveness, foreseen to amount to 20% of the basic funding (Slovenia 2011). Similarly, the Croatian proposed funding arrangements stipulates financing of HE institutions and research institutes through “program contracts” [programskih ugovora]. These are based on a three-year institutional strategic framework, which would be developed through negotiations between the Ministry and the institutions (Croatia 2011; Croatia 2012, 8). It is unclear yet, what the extent of the flexible development funding part will be and how exactly these part will be negotiated, but the intention to reform the previous model is certainly present. Serbian and Albanian policy documents display a continuity of a uniform funding regime in which – broadly speaking - the amount of funding is defined by taking into account the number of enrolled students. This money is typically allocated to universities and HE institutions as a lump sum for the provision of basic - educational - activities. Typically, there are funds made available separately for development tasks and activities, for which institutions apply on competitive basis. These include resources for infrastructure and equipment, but also for development, such as quality assurance, internationalisation or implementation of the Bologna recommendations (Vukasović 2009). In absence a coherent funding policy with clear diversification objective, these funds cannot lead to major reforms towards institutional profiling.

Furthermore, in European recommendations, accreditation and quality assurance are stated as important mechanisms promoting institutional profiling. In this area, all countries have followed Bologna recommendations and are trying to align their standards to The European Standards and Guidelines for Quality Assurance. In fact, much of the EU funding through Tempus Programme has been directed precisely to reach this objective (Zgaga 2008). The starting point in basically all countries was initial absence of an independent quality assurance body. In 2012, only Croatian Quality Assurance Agency [QAA] is included in European QA Register for HE [EQAR). Slovenia and Albania have independent QAAs, but are not yet included in EQAR. Serbia still operates with the Commission for Accreditation and Quality Assessment as legally responsible for organising and monitoring QA in all HE institutions. The importance of independent quality assurance features in policy documents in all countries, but only the most recent Slovenian and Croatian policy documents newly amplify the role of QAA also in promoting institutional profiling. Concretely, the Slovenian Strategy stipulates that the output-based funding would be distributed also based on quality assessments, qualitative measures and international peer review. During cyclical reaccreditation the Agency would be able – among other issues – to monitor also the institution’s following its diversification strategy. The existing accreditation mechanisms in the region are typically based on a set of uniform criteria and indicators for institutional and study program evaluation, and institutions seek to reach the minimum indicators in order to obtain the accreditation. Such uniformity does not promote institutional diversity. In fact, as suggested by Codling and Meek (2006), it creates circumstances conducive to conformity, isomorphism and thus homogeneity between institutions.

Also, the transparency tools developed with support of the EC are not reflected in any of the reviewed policy documents. The countries typically disclose the list of all accredited public and private institutions on the website of the Ministry responsible for HE. National rankings of institutions have not been developed in any of the countries but Albania. In 2011, the Albanian Ministry of Education and Science commissioned Centre for Higher Education from Germany to conduct pilot national ranking of HE institutions in Albania (CHE 2011) with ‘the aim to increase transparency about the Albanian HE system and to give information to (prospective) students so that they could to make an informed choice on their studies, as well as to inform policy makers and the broader public of the actual performance of Albanian HE’. Mentioning of capacity indicators in Serbian strategy might be pointing to a similar direction. Our interviews with institutional leaders and survey of academic opinions have shown that international university rankings are a relevant factor in defining institutional goals and strategies and that research excellence is an ambition prevalent in all countries (CEPS, 2012). In fact, in all countries research policies enclose objectives of increasing research funding for excellent research, developing centres of excellence and scientific profiling of universities (Croatia 2011, Slovenia 2011, Serbia 2012, Albania 2008). In other words, through research policy, research quality in universities is promoted and research quality is perhaps one single most important element of diversification. Hence, while the traces of European HE policy recommendations appear somewhat patchy and uneven across the four countries, the downloading of EU recommendations in terms of research excellence appears much more unequivocal.

There has been ample assistance from the EU helping the Western Balkan countries’ integration into the European Research Area [ERA]. In June 2006, the EC, together with the Austrian EU Presidency, launched the Steering Platform on Research for Western Balkans. Through the Framework Program and support actions EU funded several projects to support exchange of information and national policy development. Most notable were: the FP6 Southern European Research Area project (SEE-ERA.NET), a networking project aimed at linking research activities within existing national, bilateral and regional programs, and the FP7 WBC-INCO.NET, a project aimed at co-coordination of research policies with the Western Balkans. Since 1 January 2009, all the Western Balkan countries are associated to EU’s Framework Programme 7; thus formally benefiting from the same research opportunities, and subject to the same obligations, as entities established in the EU Member States. In 2012, the EU and the World Bank signed an agreement to implement a technical assistance program for the development of a Regional Research and Development Strategy for Innovation in the Western Balkans (not including Slovenia). The strategy aims at in particular at increasing the economic impact of R&D in the Western Balkans; and to develop a comprehensive approach towards integrating the three axes of the knowledge triangle, namely education, research and innovation.

Finally, our research shows that European recommendations regarding institutional profiling have not diffused onto the institutional level (CEPS 2012). From interviews conducted with institutional leaders at the major universities in the four countries, we conclude that institutional profiling is not even considered (CEPS 2012). One interviewee from a government stated that the goal of institutional profiling was ‘artificially introduced from international context’ and that ‘national “space” did not feel it like its own problem’ (43\_16.2.2012). While institutional profiling as recommended by the EC is largely absent from institutional strategies, our empirical data shows that recommendations on other policy issues are perceived as diffused from international context. The results from interviews with academic personnel in the Western Balkan countries show that academics tend to see international organisations importantly influencing changes within their institutions (CEPS 2012). Bologna-related reforms, such as quality assurance, certainly fall under this category, as indicated by the survey and also emerging from our interviews (CEPS 2012). We asked academics in the region whether they agreed or disagreed with the following statement: “Reforms of the internal quality assurance procedures of my institution are imposed by various actors”. International organisations, specified such as the EU, OECD, Bologna Process were perceived to impose reforms even more than national government (but less than institutional leadership) (Graph 1). Only in Albania, the academics evaluated the imposition of the government and internationals on institutional reforms as of similar value. The perceived influence by “internationals” was, however, perceived lower than that of governments on the question of the reform of governance structures and financing (Graph 2). Policies towards institutional profiling are deeply tight into funding policy if they are to be effective. Hence, it is to be expected that the concrete instruments in regard to institutional profiling will be very much domestically-driven.

**Graph 1.** Internal quality assurance procedures

 

Note: 1 – strongly agree, 5 – strongly disagree

Graph 2. Reforms of the governance structure and financing



Note: 1 – strongly agree, 5 – strongly disagree

# Conclusion

The empirical evidence presented above testifies that the EU influence is significantly stronger in the two countries that given their membership-status work under “shadow of hierarchy” (Börzel and Risse 2012). As pointed out by Börzel and Risse (2012, 195), membership Europeanisation works through harmonising national legislation with *acquis communautaire*, but also through arenas for socialisation and persuasion. By participating in the Council and Commission working groups, Slovenia and Croatia are clearly more socialised into the EU policy processes, and thus more susceptible to the persuasion effort of the EC. The HE systems in these two countries are closer aligned to the average EU model for which the EC was drafting the recommendations. Both have below average investment into HE, but not significantly lower. Both are coping with slowly, but surely declining student numbers. In other words, their HE systems are – broadly - in the stage of development where they have the necessary capacity - if also a political will - to adopt the recommendations. By comparison, Serbia and Albania are still in the situation where policies reflect the prevailing need to absorb the growing student demand. (The same concern could be found in Slovenia and Croatia in the earlier policy documents from late 1990ies and early 2000). Accordingly, the salient policy issues for Serbian and Albanian policy-makers are those of allowing for new providers to absorb the demand, to ensure the quality when student numbers are increasing, to reform HE governance to ensure better decision-making and to reform funding systems to enable access. The EU funded projects in the area of HE reforms (through Tempus especially) have to a great extent focused on capacity-building in these areas (Zgaga 2008); and so did political dialogue and technical cooperation (i.e. socialisation).

As mentioned in the introduction, EU’s modernisation agenda is based on voluntary cooperation and does not fall within the legal accession conditionality. Hence, persuasion and incentive-based mechanisms prevail. Various EU funding programmes earmarked for HE reforms provide such incentives; yet these have so far not been much directed at institutional diversification. Arguably, the diversification objective appears to be more unequivocally pursued through research policy. All countries, including Serbia and Albania participate in the 7th Framework Programme. This Programme is not only an important mechanism to research capacity-building and integration into European Research Area, but it is also seen as ‘an important pre-accession tool’.[[2]](#footnote-2) In area of research, “shadow of conditionality” applies much more than in HE policy. Research is one of those policy areas where EU institutions under the Community method enjoy decision-making powers and there are ample European directives and case law of the European Court of Justice. Also, there has been a significant “deepening” of EU research policies in aftermath to the Lisbon Agenda. One of the concrete activities promoted and financially supported in this area is in identifying and developing centres of research excellence within individual and among networks of institutions in the region. In Western Balkans, as already in the rest of Europe, research quality is becoming the single most powerful element of diversification. This can, on the one hand, helpfully strengthen especially intra-institutional diversity; a condition that is increasingly highlighted in the literature as desirable (e.g. Teichler 2008; Reichert 2009). One the other hand, there is a danger that the already existent vertical differentiation will become even steeper, leading to imitations of the universities on the top and thus weakening horizontal diversity.

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