“EDUCATION FOR THE EU? REFORMS IN THE CEECS EDUCATION SYSTEMS WITH A FOCUS ON MACEDONIA”

Nikica Mojsoska-Blazevski\textsuperscript{1,2}
\textsuperscript{1} Ministry of Finance of the Republic of Macedonia
\textsuperscript{2}University American College Skopje, Republic of Macedonia

Abstract

Over the last decade most EU countries introduced market-based reforms in their schooling systems to create incentives for improvement in schools’ performance and to improve signalling between education and labour markets which should lead to better matching between supplied and demanded human capital. Such quasi-market reforms were also implemented in the education systems of CEECs, although to a lesser extent, partly initiated by the need to harmonize their educational policies with those of the EU countries in the prospect of the future EU membership. The aim of this paper is to investigate the extent to which transition economies have followed the ‘Western’ trend as well as the success of their reforms in order to identify areas where the effectiveness of the CEECs schooling systems in terms of ‘producing’ relevant human capital could be further raised. In doing so, I concentrate on Macedonia where educational reforms started in the second half of 1990s with a low awareness inside the relevant government institutions about the need for and the aims of these reforms and without any long-term vision. Though, schooling system reforms are an important element (and requirement) of the Macedonian accession to the EU. Hence, at the end of the paper I give guide for further reforms to education policymakers in Macedonia.

Keywords: education, Macedonia, reforms, human capital, European Union
1. Introduction

In recent years, most ‘old’ EU economies (the EU-15) have introduced market-based reforms in their schooling systems represented by decentralisation of school management, changes in government regulation, introduction of competition, implementation of performance management (PM) along with performance indicators (PIs) and targeted financial incentives. These reforms should create incentives for improvement in schools’ performance as well as improve signalling between education and labour markets leading to better matching between supplied and demanded human capital and hence greater job creation. Similar reforms were implemented in education systems of some Central and Eastern European Countries (CEECs), mainly New Member States (NMS), during transition. Few factors initiated these reforms. Firstly, the pre-transitional focus on educational inputs rather than on outputs raised the need for reforms that would improve the internal efficiency of the schooling system and educational outcomes. Secondly, economic restructuring made most of the workers’ (vocational) skills and knowledge acquired in the socialist period obsolete and no longer demanded. On the other hand, there was an insufficient supply of more general skills such as entrepreneurial skills which were neglected during communist over-emphasis on vocational education. Thirdly, reforms were partly initiated by the wish (and obligation) of the EU (accession) countries to harmonize educational policies with those of the EU-15.

This paper is organised as follows. In section 2 I examine the quasi market reforms in the CEECs’ schooling systems, in particular decentralisation (section 2.1) and changes in government regulation (section 2.2). Sections 2.2.1, 2.2.2 and 2.2.3 investigate

---

1 CEECs are here defined as Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosova, Macedonia, Moldova, Montenegro, Poland, Romania, the Slovak Republic, Serbia and Slovenia.

2 New member states that joined the EU in 2004 are: the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia.
different aspects on the government regulation in detail. The extent to which market signals are present in the Macedonian education system is investigated in section 3 and section 4 summarises our findings and gives policy recommendations.

2. Quasi-market reforms in the schooling systems of transition economies

In this section I explore the issues of decentralisation of education management and changes in government regulation of schooling in CEECs. The latter includes the introduction of PM, the role of curriculum-based external exit examinations (CBEEEs), changes in the curriculum content and delivery and the length of compulsory education. Our goal is to find areas where the effectiveness of the CEECs schooling systems in terms of ‘producing’ relevant human capital could be raised. Greater effectiveness would in turn improve the speed and quality of the matches between workers and jobs and increase overall job creation thus reducing unemployment.

2.1 Decentralisation of governance

Decentralisation has been claimed to be an efficient tool for achieving a better match between the preferences and motivations of parents and pupils, teachers and heads, local businesses and government (Besley and Ghatak, 2003). However, the way in which it is carried out will influence its overall impact upon the schooling system’s efficiency. The decentralisation of schooling system in some CEECs can be generally characterised as ‘municipalisation’ that is transferring governance responsibilities from the central to local government rather than ‘autonomisation’, increasing the decision-making power and accountability of schools. While in the former institutional arrangement schools are still held accountable to state administration, in the latter arrangement there is a shift of accountability towards parents and pupils as a strategy for improvement based upon bottom-up change. This difference is particularly important because, as Henry and Gordon (2003) argue, public schools may successfully react to increased competition only when they are freed from bureaucratic rules and hierarchy intrinsic to all government levels whether central or local. Hungary, Slovenia and Slovakia have gone
furthest among the CEECs in devolving decision-powers to schools in terms of schools responsibility over budget, supplies and personnel, setting teachers’ pay and curriculum design likely leading to improved matching between the supplied and demanded human resources at a local level. Such autonomisation tendencies are rare in the South Eastern European Countries (SEECs), including Macedonia.

2.2 Centralisation of regulation

Education systems in most CEECs are centrally regulated through standards setting and quality control, a trend also observed in the EU-15 countries. By its very nature, decentralisation leads to greater diversity among providers and hence greater school choice but also differences in standards among schools (European Commission, 2000). Therefore the importance of setting national standards and quality controls which although respecting those differences would ensure parents and pupils at least some minimum socially acceptable quality. Such ‘protection’ of customers is particularly important in CEECs where transition and decentralisation opened possibilities for diversity among local public schools as well as the establishment of private schools offering different programmes and curriculum of study.

In this regard, an information problem arising from the complexity of schooling outcomes may justify government regulation of schooling by requiring core curriculum standards, external examination and constructing and publishing PIs, thus easing comparisons of alternative providers. In the following sections I concentrate on these particular aspects of the government intervention.

2.2.1 Performance management in schooling

Policies to facilitate PM based on performance indicators PIs across the schooling system may inter alia help governments get better value for money and increase cost-effectiveness. However, the choice of specific PIs is sensitive and the pragmatic decision of many governments has been to concentrate on performance in external examinations as an appropriate PI, assuming they must be somehow related to parents’ preferences.
over schooling outcomes.

CBEEEs as a standardised measure of schools’ performance may improve overall school quality and increase ‘competition by comparison’. External examinations have been introduced at the secondary education level in some CEECs (Hungary, Slovenia, Bulgaria, Latvia, Lithuania, etc.) which can be regarded as a first step towards output measurement in education in contrast with the entirely input-based measurement during communism. In other CEECs (for example, Croatia and Macedonia) central authorities still determine the nature of the test (subjects and way of examination) for the otherwise internal exit exams at secondary schools which limits the ability to make comparison of achievements across schools preventing yardstick competition.

The primary role of the CBEEEs in CEECs is to secure university access to higher achievers among students, with those with highest points being entitled to free education, or more generally to provide a signal to future education institutions. However, the potential benefits of CBEEEs are much wider in that they can provide information on the relative performance of students and schools not only for higher education institutions but for all stakeholders: parents, employers and government. Information on CBEEEs should be therefore made accessible and transparent, preferably through the use of results at the end of compulsory schooling in published school performance tables. Only then will CBEEEs/PIs foster widespread competition by comparison, provide greater accountability and allow parents to make a more informed choice (Belfield and Levin, 2002).

Comparison of published PIs may induce parents and pupils to opt for a school with better average results which may lead to higher enrolment. Higher enrolments in turn will provide financial gains for that school when funds are allocated by per-student formula (as in, for example, the Czech Republic and Hungary). The absence of the possibility of such processes in most CEECs reflects the low accountability of schools which makes consumer choice less effective in rewarding (punishing) the successful (failing) schools. In the absence of CBEEEs, performance of upper secondary schools in some CEECs can be measured through their student’ achievements at the university entry examination, but this is not possible for primary schools, vocational secondary schools and universities, hence again only a minority of pupils would be monitored. Consequently, a low-cost interim PIs should be developed, such as student attendance and continuation rates,
employment rates of graduates from different schools, etc, which promote best practice and assist its dissemination through the system. In other words, CEECs countries need to quickly develop standard measure(s) of outcomes to increase accountability and boost competition by comparison.

2.2.2 Changes in curriculum delivery and content

At the beginning of transition most CEECs implemented only marginal changes in their curriculum, generally limited to removing certain ideological content from textbooks (Marxist ideas). Later on, reforms in some CEECs (the Czech Republic, Hungary, Slovakia and Slovenia) were directed towards shifting the curriculum design partly to the school level and adjusting it to the new economic structure. The outcome was a new ‘contemporary’ curriculum that reflected an emphasis on generic key skills, making knowledge gained less vulnerable to future economic changes, as well as greater responsiveness of schools to parents’ and pupils’ preferences (Roberts, 2001).

Whereas centralised regulation in terms of national curriculum and assessment framework may be beneficial as a means of guaranteeing education quality, an over-centralised system with strict requirements and municipalisation may harm competition and slow improvement. In particular, public policies aimed at improving the efficiency of education systems by decentralisation and increased competition can be successful only if public schools are free to compete among themselves and with private schools with greater decision-making power over curriculum.

Changes in curriculum design

Hungary adopted a ‘two-level’ system of curriculum regulation consisting of a central National Core Curriculum and detailed school level programmes elaborated by the teachers and approved by the schools’ boards. Curriculum and standards are defined in terms of broader concepts of skills and knowledge rather than subject areas which leaves room for schools and teachers to design a curriculum that better reflects the needs of students and the local economy (World Bank, 2002). Liberalisation of the curriculum in Slovakia was based on a ‘percentage’ approach, that is every school can replace 10% of subjects and 30% of
the subject matter in each subject of the national curriculum to tailor it to local needs. Similarly, schools in Bulgaria prepare their annual study plans which may include optional or free choice programmes for 10% in grade 1 and up to 45% in grade 12.

Apart from the CEECs mentioned above, elsewhere in other transition economies the curriculum is still overloaded in terms of material that has to be taught in a particular subject and is ‘heavy’ since students are required to memorise material, known as factual knowledge. The interest is still on inputs rather than on outputs, neglecting the key competencies and functional literacy which determine the ability to function effectively in modern society (Schnepf, 2004). Romania and Moldova introduced new curriculum (also planned in Macedonia) which better reflects current economic context but these changes in the curriculum content were not accompanied by delegation of implementation of the central curriculum regulation to schools. Hence, the use of innovative and flexible curriculum as a means of stimulating competition between schools is inhibited.

Career guidance

The importance of career guidance in schooling as a means of encouraging increased choice within the educational system has yet to be fully recognised in CEECs. Such guidance has the potential to ease students’ transition from one level of education to another or to work and has led to its integration into the school curriculum in most OECD countries. According to ETF (2003), information should be at the core of career guidance with government guaranteeing that it is correct. Information should improve one’s knowledge about oneself, education and training opportunities and pathways, about the labour market situation, and about the way in which all these interact. Differences among OECD countries emerge as to whether career education is mandatory, whether it is included in overall curriculum framework or as a separate subject, the school grades in which it is delivered, etc.

The Czech Republic is one of the few CEECs that has included career guidance in its curriculum and made it mandatory from grade 7 (primary education) through to grade 12 (upper secondary school), although schools may decide whether to teach it as a separate subject or to integrate it into other subjects. The extension of career guidance to post-compulsory schooling (also found in Denmark and Canada) reflects that nowadays the
end of compulsory schooling is not the main point of transition from school to working life. In most OECD countries including Hungary, the percentage of upper secondary students who receive individual career counselling is higher in general than in vocational schools, probably based on the assumption that students in vocational programmes have already made a specific career decision. This cannot any longer be justified since most countries have made schooling (including vocational) pathways more flexible, enabling easier progression to further and higher education.

The primary form of provision of career guidance among CEECs is based on the individual guidance interview as a stand-alone activity offered only at key transition and decision-making points which usually fails to satisfy students’ demand for guidance. Hence, the idea of encouraging self-directed career exploration, self-evaluation and computer-based strategies is gaining ground in some CEECs, for example Slovenia and Romania (OECD, 2004).

Inclusion of entrepreneurship

In addition to career guidance, the development of entrepreneurial skills throughout formal schooling can improve labour market efficiency through greater flexibility and crucially encourage self-employment. Rapid technological change, a shift to the service sector and disappearance of some professions requires that workers at all qualification levels possess entrepreneurial skills and creativity. Besides these general perceptions, there are additional factors specific to CEECs which require that governments in these countries should include entrepreneurship and business-relevant skills in their curriculum as part of the key competencies. The lower than expected growth of the private sector during transition may be due in part to a lack of entrepreneurial skills (Pinto, 2005). Only a few CEECs have taken steps to foster the culture of entrepreneurship at an early age. In some CEECs, for example Slovenia, entrepreneurial skills are now part of the curriculum in all secondary and tertiary institutions. In Estonia and Latvia there are in-school programmes that encourage pupils to set up businesses, by helping them to experimentally learn entrepreneurial skills under the mentoring of established businessmen. This Junior Achievement Programme has also been implemented in Macedonia (see section 3). However, this and other similar programmes are implemented only in some schools and as
an additional school activity rather than as an integral part of the curriculum.

2.2.3 Length of compulsory schooling

The main argument behind the enforced minimum amount of time that pupils must spend at school is based on its perceived characteristic as a merit good (Micklewright, 2000). Since parents and pupils are unlikely to internalise external benefits to society from education, free choice regarding the length of schooling would be likely to lead to a societal under-consumption of education. One way to increase the consumption of schooling, besides government provision and subsidies, may be that governments require students to spend some minimum mandatory years at school. Compulsory schooling in Britain lasts from age of 5 to 16, in France until the age of 14 but with 96% of 3 year olds in pre-school institutions, and in Belgium until the age of 18. In transition economies education usually begins at age of 7 (at age 6 in a few) and lasts until the age of 14 or 15.

Two elements are important in considering the length of compulsory schooling. Firstly, the age at which compulsory education begins, combined with the established pattern of attendance at pre-school institutions. Heckman (2000) emphasises the importance of the early, pre-school years in the sense that success or failure at that stage affects the success or failure both at school and later in the labour market. Basic abilities can be altered in the early years of life and raised ability creates additional demand for schooling. The age at which compulsory schooling ends is the second important element of policy. During the 1980s and 1990s some developed economies, for example Belgium and Britain, extended the minimum age for leaving compulsory schooling, as did some transition economies for example Hungary and Czech Republic. This tendency indicates that governments perceive education as a normal good (Adnett and Davies, 2002). As parents/society as a whole get wealthier they tend to ‘buy’ more education because they can bear the higher opportunity costs of not working and because of the expected higher future rewards in terms of higher productivity.

As a departure from the traditional 8 years of communist compulsory education, the Czech Republic introduced a mandatory grade 9 during transition, Slovenia started the
gradual implementation of a 9-year compulsory education system in 1999 and Romania and Moldova followed in 2002. Changes are planned in other CEECs, e.g. in Croatia and Bulgaria. Kosova also raised the length of compulsory schooling from 8 to 9 years but upper secondary education there lasts only three years.

While the length of compulsory education has been an issue in most CEECs, it has not been the case with the age at which it begins. This is quite unusual given the more prominent debate in the literature about the importance of the early pre-school years on achievements in future schooling and in general life. Transition economies are continuing their socialist practice with age 7 normally being the first year of compulsory education which is higher than the age at which compulsory education normally begins in developed economies. This may be partly explained by the high pre- and post-transitional attendance rates in most CEECs in pre-school institutions, mainly kindergartens. However, in some CEECs pre-school participation in 2001 was alarmingly low (35% in Croatia and Albania, and just 3% in Kosovo).

Pre-primary education in Macedonia in 2005 covered 82.2% of 6-year olds (71% in 1991). Some ethnic groups (Roma, Albanians and Turks) have lower participation rates because of their different cultural and social norms, such as low labour market and education participation rates of females (OECD, 2003). Low participation in pre-school education leads to large differences in pupils’ learning achievement in the first grade because the impact of the family background on the child’s preparedness for learning at school is likely to be heightened for those pupils not attending pre-school institutions. The main argument of the Macedonian Ministry of Education and Science (MES) for an introduction of a compulsory pre-school education for age 6 children (grade zero or preparation grade) in addition to 8-years compulsory primary education in school year 2005/2006 is based upon this case.

3. Introducing market signals into the Macedonian schooling system

In this section I investigate regulation of the Macedonian education system. I concentrate upon the (over)centralisation of the school management, lack of competition and accountability and inflexible curriculum. In addition, I critically examine the
rationale and likely consequences of the recent and planned changes in the regulations, such as ‘decentralisation’ and introduction of CBEEEs.

The over-centralised management system in Macedonia prevents competition within the state sector whilst limiting public schools’ ability to respond to the competition from emerging private providers. Although school heads have a strong influence on school-level human resource management they have little control over resources, with spending tightly controlled by the MES, hence they contribute little to resource efficiency issues. The MES’s staff is mainly engaged in administrative tasks rather than in policy formulation, standards setting and long-term planning. With the detailed national directives on schools, central and local authorities are mainly concerned with inspection and compliance with these rules and standards.

Schools produce annual study programmes that include some developmental objectives but without the (active) inclusion of stakeholders. That limits the accountability of heads and teachers because they are not held responsible to the other stakeholders. The importance of this issue at the EU level can be ascertained by the inclusion of ‘evaluation and steering of school education’ and ‘parental participation’ in the 16-EU schooling indicators which are used for comparison of education systems across EU countries. Therefore, there appears to be a need for strengthening the role and broadening the membership of school boards. There is no culture of school planning being linked to critical self-evaluation in Macedonia, a process by which evaluation may increase accountability provided it is transparent.

In contrast to this over-centralisation in resource allocation, where national standards may benefit from comparison and competition, for example in setting CBEEEs, schools and teachers in Macedonia do have discretion. For example, teachers have control over their exams’ content with only the subject areas and the way examination is carried out being determined centrally. Such practices prevent comparison of student performance across schools, areas and over time. There were plans for the introduction in 2004/2005 of CBEEEs at grade 12 that is the end of secondary education under the responsibility of the Bureau for Development of Education (BDE). Implementation was delayed probably because government officials do not understand the importance of this policy change and hence devote more time and effort to other tasks. In 2006, this standardised final
examination will be at last implemented though only as a pilot project. It will cover 5 subjects. Given the current organisation and regulation of the Macedonian education system, the major role of the grade-12 CBEEEs would be to replace university entrance exams. Since school performance tables are not planned to be published, stakeholders would be left without standardised information that can be easily interpreted. Such proposals fail to exploit CBEEEs potential in reducing information asymmetry and fostering competition. In addition, a necessary precondition for the ‘market signals’ to ‘work’ is that schools are delegated a certain decision-making power which, I explained above, is not the case in Macedonia. The new Macedonian Law on decentralisation provided delegation of pre-primary, primary and secondary education responsibilities to the municipalities from mid 2005 which can be characterised as a municipalisation and is unlikely to enhance individual providers’ incentives for improvement. The Project on Modernisation of the Education currently undertaken by the MES considers among other things implementation of self-evaluation as well as reinforcing school-level planning and the role of the school board. It will take few years before we can assess whether these plans were only declarative or worked in practice.

The over-centralisation of the education sector is also reflected in the curriculum that is set detailing the subject content and delivery. The 1999 TIMSS (Third International Mathematics and Science Study) analysis of curricula indicates that Macedonia has placed only a moderate emphasis on outputs, or student achievement, compared to inputs, for example class size, as well as that curriculum and its content standards for all levels of education exceed those in the developed economies. The compulsory curriculum core takes almost the entire available classroom time so that there is little room for school-based curriculum planning and development. It also restricts the creativity of teachers making them merely ‘transmitters’ of knowledge as well as reducing their possibility of helping those that are in need. In addition, heads and teachers have very little influence on instructional processes which discourages the adaptation of teaching methods and curriculum to local needs and dissuades innovation. Students’ ‘choice’ and ‘exit’ rights in post-compulsory education are limited: the former because students cannot shape their studies according to their preferences, for example choose optional modules, and the latter because of the limited (private) alternative providers which charge the full cost of
studying. The limited availability of information constrains students from making informed choice which reinforces weak accountability. Although changes in the curriculum for primary and secondary education have started, they are progressing at a slow pace because the BDE’s staff is overloaded with administrative tasks. If not accompanied by delegation of power to schools, the new curriculum may prove to be inflexible in terms of its low adaptability to local labour markets and to changes in demand. Above I developed arguments suggesting an increased importance of general education and key competencies for the transition economies. However, key competencies, especially entrepreneurial skills, and career guidance are neglected in the curriculum across all education levels in Macedonia. School psychologists or pedagogues are expected to provide career guidance, but in reality, this service is mainly delivered to students by the Employment Service Agency (ESA) and is tied to immediate decisions that must be made at school leaving age. Career guidance usually consists of occupational information, information on secondary schools and universities, information of possibilities for continuation of education and for acquiring scholarships, etc. Part of the USAID project Secondary School Activity that started in 2003 established career development centres in 51 vocational schools (40% of the total number) but no evaluation has so far been carried out on the effectiveness of the programme.

I already argued that entrepreneurship is a desirable part of the ‘modern’ curriculum for it installs creativity and flexibility in pupils, skills important in the changing economic environment. The importance of the entrepreneurial skills may be heightened in Macedonia as a high unemployment country because they may stimulate self-employment and consequently reduce unemployment. However, besides the implementation of the Junior Achievement Programme explained above entrepreneurship is not included as regular part of the curriculum. Under the Secondary School Activity project, 7 virtual and 44 real companies were established in 40% of the vocational secondary schools to improve students’ entrepreneurial skills so that they become accustomed to and able to prepare conditions for self-employment. However, somewhat illogically, given that general education is more likely to develop entrepreneurial skills, general secondary schools are not part of the above project. This may reflect a low awareness among policymakers of the need for developing entrepreneurial skills (or in
general key competencies) through formal education and its inclusion in the curriculum as a strategy for raising self-employment.

4. Conclusion and policy recommendations

This paper investigated changes in education systems in CEECs during transition and the challenges that they face in meeting changed labour demand as well as in opening up to the EU markets. I investigated the rationale for government regulation of schooling and examined changes in this domain during transition. Throughout this examination I raised issues and policies that are likely to improve the internal efficiency of education systems and improve education signals thereby enhancing job creation. These particular issues are: devolution of decision-making power; centralisation of regulation and standards; introduction of performance management, and in particular CBEEEs; modernisation of curriculum and inclusion of entrepreneurship and career guidance.

I investigated each of these issues in the Macedonian context and made clear that the introduction of (real) market signals in the Macedonian education system requires changes in some aspects of regulation. First, there is a need for a delegation of decision-making power to school management, where the latter is represented by the school boards consisting of heads, teachers, parents, pupils and local employers. Second, the recent transfer of accountability from central to local level should accompany a strengthened school-level management. This, along with the availability of information on student attainment (which should be achieved by the publication of the CBEEEs’ results and by self-evaluation) would introduce competition by comparison. Third, there is a need to improve the curriculum. At the central level, there is a need for setting new curriculum standards that reflect the key competencies, including the encouragement of entrepreneurship and career guidance. It may be best achieved by testing these particular skills in CBEEEs. At the school level, assuming schools are delegated greater power, schools (boards) should ensure that their curriculum matches local demands for labour and should recognise its potential as a ‘tool’ for competing with other providers.
References


