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# **The EU 2020 Higher Education Attainment Target: a critical assessment with a focus on the case of Macedonia**

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## **Abstract**

This paper critically examines key European Union (EU) higher education policy orientations, with particular reference to the economic role being attached to the EU 2020 higher education attainment target. The essay explores the wider climate of thinking associated with the concept of knowledge as a form of productive capital, beyond the Union's borders. EU policy proposals are assessed and discussed in relation and alongside with a EU candidate country – Macedonia. In the first section, the paper offers a brief overview of recent European Union higher education policy developments, with discussion on the continuities and differences between the Education and Training (E&T) 2010 Programme and the follow-up E&T 2020 Programme. These reorientations are analysed in relation to the challenges of the Lisbon Strategy and the EU 2020 Strategy. The second section provides a critical analysis of ambiguities in concepts relating to the EU 2020 attainment target, both on EU level and in the particular case of Macedonia.

**Keywords:** European Union, EU 2020 Strategy, higher education, Macedonia

## Introduction

In 2010, the heads of the EU member states agreed upon a new joint Europe 2020 Strategy as a policy framework to replace the frequently contested Lisbon Strategy. The declared objective of the new strategy was to “deliver smart, sustainable and inclusive growth” (European Commission, 2010a, p. 3) that will create new jobs and push forward the economic revival of the Union. In this paper I take a closer look at the higher education headline target of achieving at least a 40 per cent graduate level of 30-34 year-olds, as one of the five overall targets presented in the Europe 2020 strategy<sup>2</sup>.

The first section offers a brief account of recent EU higher education policy developments and looks at the continuities and differences between the European framework up to 2010 and the framework since then. Specifically, I address the question whether the new strategy represents an extension of the previous policy set in place, or whether it represents a more radical change of course, setting new education objectives and priorities.

The second section critically discusses the economic role being attached to the EU 2020 higher education attainment target, which appears to be predominantly framed to satisfy an instrumental consideration of knowledge and often rationalised through arguments about wider social and economic challenges that remain to be addressed; whereby higher education expansion, in general, is considered to be the main engine of economic growth and successful transition towards a knowledge-based economy. Further on, I discuss and try to provide evidence that even from an economic (extrinsic) perspective the criteria set by the EU provide little guarantee of the economic growth such educational reforms are officially expected to deliver.

Finally, I explore the wider climate of thinking associated with the concept of knowledge as a form of productive capital, beyond the Union’s borders. I assess the EU policy proposal in place and its weaknesses in relation to Macedonia as an EU candidate country. Even though the EU 2020 strategy is created by and for the use of member states within EU’s geographical boundaries, it should not be seen

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<sup>2</sup> The five targets for the EU until 2020 cover: employment, research and development, climate change/energy, education, and poverty/social inclusion.

only as relevant to its members since it also represents an important reference point for accession countries such as Macedonia, which are expected to voluntarily reflect these targets.

The main objective of this essay, however, is not to provide a detailed description of developments towards achievement of the EU 2020 attainment target but to offer a critical analysis of conceptual ambiguities relating to this target, both on EU level and in the particular case of Macedonia.

## **A Brief Account on Recent EU Higher Education Policy Developments: Continuities, Differences and the Process of Benchmarking (2000-2012)**

In March 2000, the EU adopted a wider development strategy called the Lisbon Agreement. The strategy was designed to address the multilayered challenges of Europe and contribute towards the positioning of the EU as the most competitive and dynamic knowledge-based economy in the globalized world (European Council, 2000); whilst European education would become a “world reference” (European Council, 2002, p. 18) standard by 2010.

More than a decade later, the European Commission has concluded that across the EU states four out of the five education benchmarks set in the Education and Training (E&T) 2010 Programme - which serves as a thematic reference point of the Lisbon Strategy - have not been achieved, except for the benchmark on increasing the number of Mathematics, Scientist and Technology graduates (European Commission, 2011a). In terms of higher education, it admits that attainment levels have remained “far behind the performance of both the US and Japan (40 per cent)” (European Commission, 2009, p. 11). Moreover, investment in higher education has been noted as too low (European Commission, 2011b) and “the EU member states would need to invest on average over 10 000 Euro more per student per year in higher education to reach the levels of the US” (European Commission, 2009, p. 11).

It was under such circumstances that the EU in 2010 agreed upon a new EU 2020 strategy that would potentially address the problems of the previous strategy and place Europe back on track towards sustainable economic recovery (European Commission, 2010b). Very similar to the Lisbon agenda, the new EU 2020 strategy expressed a re-commitment towards the Europe of knowledge, though this time a new umbrella term ‘smart growth’ was introduced to replace the existing knowledge-based economic concept. Under the EU 2020 Strategy education was introduced as even more of a focal point, since two

out of the five E&T benchmarks have now been given a higher level of importance as headline targets<sup>3</sup>. Retrospectively, in the 2010 strategy, apart from general support for knowledge-based societies and investment in research and development, no other specific education target was given a headline commitment.

In terms of the specificity of the higher education E&T 2020 benchmarks a significant improvement can also be noted. Looking back at higher education sub-priorities until 2010, no explicit quantitative benchmarks were set for three out of the four sub-priorities, which undermined the possibility to reflect on the progress in a tangible manner. More precisely, while the 2010 Programme provided a general commitment towards increasing levels of enrolment and attainment rates as well as increasing the number of European universities among the leading top 500 worldwide, it did not specify particular numerical reference points which would describe and define what would be considered as a satisfactory increase. The only *measurable* target set aimed to increase the number of Mathematics, Science and Technology students by 15 per cent until 2010. On the other hand, in the new E&T 2020 Programme all higher education priorities have been given measurable targets, providing member states with a much clearer picture of the aims and planned accomplishments. Namely, it has been recommended that member states should spend 3 per cent of their GDP on research and 2 per cent of their GDP on higher education, as well as to increase the number of graduates (age 30-34) to reach a level of at least 40 per cent by 2020.

In this sense, the new programme does show a greater level of realism in relation to the previous ‘one size fits all’ target approach. It recognises that “each member state is different and the EU of 27 is more diverse than it was a decade ago” (European Commission, 2010b, p. 9). In this direction, the EU 2020 Strategy emphasises the need to diversify the targets set, especially now, when they should need to be applied to post-transition countries such as Croatia, Romania, Bulgaria where the starting point is one of relative under-development compared to other more affluent member states. For example, Romania and Bulgaria have committed to reach a level of 27 per cent and 32 per cent, respectively. Countries

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<sup>3</sup> The two benchmarks are: reduction of school drop-out rates below 10 per cent and at least 40 per cent of 30-34 year olds completing third level of education.

such as the Netherlands, Denmark, and Sweden aim to achieve at least 40 per cent attainment rates by 2020.<sup>4</sup>

However, even if the attainment benchmark proves to be satisfied in some (or all) nations, few other possible limitations are worth considering. One is related with the very origin and practice of benchmarking as a business-monitoring model derived from the industry, and principally used to measure the performance of a particular economy in comparison to other economies; whereas stakeholders are largely preoccupied with the final outcome, rather than the process itself. Unlike the economy, many would argue, a meaningfully measurement of attainment levels in the education system requires a more detailed analysis than just quantifiable outcomes (Nussbaum, 2010; Collini, 2012). The statistical fixation is problematic, since many of the most important and fundamental higher education concerns cannot be simply 'computed'. Unlike businesses, which have a quantified and measurable goal (revenue), the most important goals of a university are not necessarily of quantitative type and thus they cannot be measured. Collini (2012), echoing Einstein's famous maxim that 'not everything that counts can be counted', argues that it is particularly hard to quantify knowledge, if not impossible, suggesting that issues surrounding quality of teaching and curriculum and excellence in research will need to be judged rather than calculated; where judgment is a complex set of processes that in many respects can only be properly carried out by those well qualified to judge approximately. Some authors controversially go even further, in one respect, arguing that so-called performance indicators "bear no relation to any notion of quality" (Harvey, 1998, p. 243) and serve as a means of creating an illusion of objective evaluation (Barrow, 1999).

The second problematic ground is that benchmarking, by itself, along with a set of loose ground rules attached to it, could produce limited impulse and stimulus towards better realization of the education goals in place. The Union still follows the previous soft Open Method of Coordination (OMC) (Batory & Lindstrom, 2011), at all levels, and has not introduced significant precautionary measures that can protect the Union against the poor commitment of some countries. This non-compulsory approach towards achieving the targets and the OMC based mainly on peer pressure seems almost certain to reduce the ambition and motivation that exists amongst member states.

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<sup>4</sup> See Europe 2020 targets: [http://ec.europa.eu/europe2020/pdf/targets\\_en.pdf](http://ec.europa.eu/europe2020/pdf/targets_en.pdf)

This restrained commitment towards the 'agreed' goals is potentially problematic, especially when seen from the standpoint that other member states will need to carry the weight of the lagging countries if overall targets are to be achieved. The fact that one third of the EU member states have set lower national targets for higher education attainment, clearly points out an issue that could result in a tough road ahead for some members. A novelty in this regard is the introduction of 'policy warnings' - an even softer monitoring mechanism than the OMC - aimed to assure that countries will remain committed to the targets set. It remains unclear from the EU 2020 strategy what type of sanctions these warnings may entail, apart from 'naming, shaming, and faming' (Kok, 2004) and the right of the Commission to present the warning in public, no other political or legal weight has been attached to the instrument. .

As an alternative, at the beginning of 2010, the Spanish Prime Minister Zapatero, proposed the setting of compulsory goals for all member states that would serve as an indication of togetherness and commitment. He also referred to taking 'corrective measures' on countries that are lagging behind the targets. Cutting EU subsidies to underachiever states was only one of the concrete measures proposed. Yet, the literature suggests that such measures would go against the principal logic of the OMC having in mind that 'soft governance' (Lawn, 2006) and the shift from coercive top-down imposition to a negotiated coordination are key elements of the OMC (Dyson & Goetz, 2003). In such circumstances, vertical mechanism of coercive compliance would be undesirable, even if the EU could take a position to sanction countries for non-compliance (Batory & Lindstrom, 2011).

Batory and Lindstrom (2011) by examining a EU-funded project, Erasmus Mundus, suggest that a possible solution may lie in what they refer to as 'the power of the purse'. They argue that using financial spurs through EU funded higher education programs, the European Commission can play a supranational entrepreneurial role which would incentivize member states to meet objectives set out under the OMC. These funds would be conditional on states meeting certain targets, allowing the Commission to extend its influence to policy areas where it has limited roles; going far beyond the voluntary mechanism associated with the OMC but not very close to coercive modes of policy transfer.

A final challenge is that even though one of the aims of the new EU 2020 Strategy has been to promote an integrated approach in response to common EU challenges (e.g economic recovery, skill deficits among workforce, ageing societies) from a range of fields, including higher education, not all countries have been on board with the benchmarks now in place. For most countries education is still a major

privilege of the nation state, although there is a considerable tendency to establish shared competence on issues related to education. With the increased compliance of higher education systems, mutual recognition of qualification and a relatively coherent economic market it is increasingly difficult to isolate an education system just within the nation state.

Under these circumstances (or perhaps hiding behind the promotion as internal or national education matters) some EU states lack ambition and commitment to follow the projected targets. Significantly, the United Kingdom (UK) and the Netherlands have refused to sign up to the common education agenda. The UK, which is now radically reforming higher education, particularly in relation to its funding by central government, claims that it is not legally binding for countries to comply to these benchmarks. It believes, instead, that “individual countries should ‘set their own level of ambition’ when it comes to translating these targets into national policies” (Deutsche Welle, 2010). Similarly, the Netherlands has set a target for early school leavers but not for higher education. The wide discrepancy of approaches and open interpretations of member states towards the strategy promises little optimism that a major performance change will take place.

### **Towards Achieving the Graduation Target: A Potentially Misleading Image of National and Individual Prospects in Times of Crises**

Due to the global impact of the financial crises since 2008, the EU has recently faced numerous economic challenges. The “GDP [of the Union] fell by 4 per cent in 2009, the industrial production dropped back to the levels of the 1990s and 23 million people - or 10 per cent of the active population - are now unemployed [...] and it has exposed some fundamental weaknesses of the economy” (European Commission, 2010b, p. 9). Levels of *youth* unemployment are even higher – currently rising to around 50 per cent in Spain and Greece (Eurostat, 2011).

Under this broader impact of the wider European financial crises, the already vulnerable Macedonian economy beset by low levels of economic growth and high unemployment rates was additionally hindered. The official unemployment rate remained as high as 32.2 per cent, where more than one third of the unemployed are youth under the age of 29 (SSO, 2010; WB, 2013). In addition to that, the real GDP growth reached a record low of -2.4 per cent in June 2009 (WB, 2013) with nearly a third of the population living below the poverty line (SSO, 2010).

In such cases where the capacity of both national governments and the EU to *directly* control and shape economic development has been severely undermined –to some extent also due to the absence of proper reform initiatives - politicians and policy makers appear to have become more committed to trying to use *education* as an alternative means to try to respond to the growing societal and economic problems. In this sense, education policies have become a surrogate for direct economic influence, and a potential ‘exit strategy’ from the wide ranging events that have come together to form global economic crises. The wider thinking that there is a strong link between education investment and richer societies has been the main motive for such measure. A repertoire that proved to be remarkably durable and appealing to - as well as applicable by – politicians of both the centre-right and centre-left; particularly in those nations which were most severely exposed to the effect of the financial crises.

In the EU a key idea behind the *use* of residual factors that are believed to contribute to economic growth was that a strong emphasis on higher education would potentially lead to a knowledge-based economy. In this sense, an increase in the level of education is seen as one of the key non-economic stimuli that can produce economic growth. The relevant terminology used in the education sector has changed dramatically in response. The pre-existing approach that often emphasized the intrinsic value of knowledge was altered to focus more on future employability and competency as outcomes of higher education. This interpretation that focusing on education reform can significantly influence the economy, currently finds expression in the target of achieving 40 per cent graduate levels.

In the case of Macedonia, this instrumental reorientation of higher education has been equally apparent in recent years, however with some variance in regards to the intensity and the practice of change. As in some other post-socialist countries in Eastern and Central Europe, after the fall of communism, the higher education expansion in Macedonia started with a considerable delay compared to the more affluent Western European countries (Altbach, 1999). The 1980s were marked with a significant decline in enrolments - from 42.560 in the academic year 1979/1980 to 27.759 in 1989/1990. The enrolment rates were slightly improved to reach 28.766 in 1995/1996 and 35.995 in 1999/2000, however still comparatively lower than the rates from the 1980s (SSO, 2011). The percentage of students enrolled in higher education in 1981 and 1991 was 28 per cent and 17 per cent, respectively. The level of 1981 was reached only in 2004 (WB, 2013).

Thus, while there were some improvements in enrolment in the 1990s, no significant measure were

made to improve the overall number of graduates, in some respect for obvious and unavoidable reasons related to the perceived urgency to priorities other 'transitional' issues that have created the need for huge amounts of public spending. In such circumstances, no specific higher education proposal attracted universal recognition, whereas more provisional and largely experimental adoptions of various kinds found greater favour (Scott, 2007). For some time universities continued to exist following the characteristics of the traditional university mainly devoted to the intrinsic worth of becoming educated and closely associated with what is sometimes called the project of 'liberal education' For liberal educationalists education should be first and foremost, though not necessarily exclusively, for education's sake and be devoted to the intrinsic worth of becoming educated (Young, 2008).

However, following a change of governance in 2006, the political elite in power started to become increasingly attracted to the idea of using education as a key apparatus towards achieving wider national development; whereas higher education has been seen as the dominant premise for reaching the goals of increased economic development and prosperity. According to the Programme for the period of 2006-2010<sup>5</sup>, research and development and higher education were perceived as key drivers for increasing the competitiveness and long-term growth of the country. Later, in the 2011-2015 Programme<sup>6</sup> the government positioned education as one of the top five national priorities and key element of a knowledge based society and embarked upon a higher education reform buttressed by the general low intake of students followed by an even lesser number of graduates.

The initiative formed the basis of thinking when in 2007 the government engaged in a process of 'catching up' with the EU levels of higher education graduates- at that time at 30 per cent - a percentage drastically higher compared to the 12.2 per cent in Macedonia for the same period (Ministry of Labour and Social Policy [MLSP], 2011). With a commitment to rapidly improve the number of graduates, the government opened a considerable number of new faculties and study programs and drastically increased the number of newly enrolled students in almost all regions of the country.

After only few years of implementation the higher education landscape changed considerably. A massive 96 per cent of high school students for the academic year 2009/2010 continued on to higher

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<sup>5</sup> [http://wbc-inco.net/attach/1404\\_program20of20the20government202006-2010.pdf](http://wbc-inco.net/attach/1404_program20of20the20government202006-2010.pdf)

<sup>6</sup> <http://vlada.mk/?q=node/260&language=en-gb>

education – double the percentage for 2005/2006 – and possibly an international record (State Statistical Office [SSO], 2011). As a result, in 2010/2011 the number of newly enrolled students in tertiary education has risen by 43 per cent compared to the levels in 2006. Additionally, the number of people with completed higher education in 2009 compared to 2006 increased by 32 per cent, - reaching a national level of 17.1 per cent of 30-34 years old completing higher education (MLSP, 2011). Simultaneously, in only four years, the number of newly opened faculties increased from 39 in 2005 to 94 in 2009 (SSO, 2011).

From a social perspective, the government envisioned the increase in study programs by its potential to decrease educational disparities within regions and provide more equal chances for higher education access. This novel policy aimed towards *producing* more graduates is indeed justifiable, especially in countries such as Macedonia being one of the most multiethnic countries and one largely dominated by minority related issues. The inclusion of a larger pool of young people from various geographical, social and ethnic backgrounds in the education process could introduce a model of ethnic reconciliation and offer an opportunity for greater coexistence, where education is seen as an instrument for emancipation and social change (Najcevska & Petroska-Beska, 2004).

Engaging youth as a potential driving force in society is part of a wider global agenda which keeps in mind that young people represent a fifth of the EU population<sup>7</sup>; a proportion that rises to nearly half in developing countries. A recent hidden discourse, mainly driven by the events of 'the Arab spring', is that economic decline, youth unemployment and structural constraints on youth empowerment are proving to be major risk factors, even though the link between youth unemployment and rioting is still cloudy. Perhaps popular public perception has played a more important role than empirical evidence to justify such an argument. In countries such as Macedonia it is to be expected that policies aimed at increasing the number of students will lower the pressure of newly unemployed youth for some time, however, ultimately such concepts in stagnating economies complement to what might be a fictitious reduction of already high unemployment rates.

However, this quantum leap and ambitious goal of the Macedonian higher education for further

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<sup>7</sup> Young people in Macedonia account for 23 per cent of the population.

increase in attainment rates does not go unchallenged. After few years of implementation, opinions about the validity of the rapid expansion in student numbers still continue to vary, mainly in regards to the adequacy of pace in the transition to a more universal higher education. Issues of quality, financial sustainability and wider future implications have been the core of this debate.

Some members of the academic community, for example, have criticized the process as one largely suspended by top-down 'cabinet reforms', leaving very little space for other stakeholders to come into existence. Often, reforms have been opposed by the academia as illegitimate and act of severe intrusion into the autonomous governing of universities since the government has failed to consult the academic community prior to announcing its course of action in public. For example in 2010 the Ministry of Education initiated a parliamentary procedure to establish two new faculties at the Ss. Cyril and Methodius University without even informing or compiling to the internal rules of the university.<sup>8</sup> Thus, some of the enacted reforms have lacked ownership and recognition within the academic community (Popovski, 2010).

The views among students have been divided. While some students have generally reacted positively to the reform process, since the decentralization and expansion of study programs resulted in them being able to afford to stay and study in their own home cities, others have been suspicious of the quality and the selection of programs on offer. A recent study analysing the perception of students on governmental actions for the liberalization of public higher education (the opening of new universities and dispersion of public universities) has highlighted that 47 per cent of the students have a generally positive opinion on the reforms enacted, while 53 per cent do not support this wide distribution (Azizi, 2012).

However, a front line concern with the expanding system has been the profound abstraction from any serious examination or discussion of issues like quality and (financial and infrastructural) sustainability. There has been little data available to the public, which explains or justifies the government's rationale of undertaking such a rapid expansion; indicative that those policies are often based on improvisation and not necessarily on relevant documents that estimate the actual costs (Popovski, 2010).

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<sup>8</sup> See more: <http://www.utrinski.com.mk/default.asp?ItemID=048097259B9F68448C7CE20795158669> [Newspaper article: *Government ignores university.* (Macedonian)].

As far as funding is concerned, the state budget has not allocated pre-planned funds for the reform enacted (Popovski, 2010). Therefore, each year public universities and faculties are facing different ways of funding. In 2009, the rector of the second largest state university, Zlatko Zoglev, expressed the position of the rectors of all public universities concerning the future of decentralized studies:

For last year's dispersed studies the state has only partially paid of its share, while another part of the funds is yet to be paid. This year, new study programs are expected to be opened, which we do not know how to finance... nobody knows how much it will cost.<sup>9</sup>

Internal calculations made by the state University of Tetovo have shown that the opening of six decentralized study programs will cost around one million Euros, funds that are far beyond what they have been previously given.<sup>10</sup>

While the higher education system has been drastically expanded in the last six years, higher education still occupies a low priority in public expenditures. State spending for higher education has not been increased proportionally to the number of students enrolled: processes that are likely to go hand in hand (OECD, 2008). According to State Statistical Office data, the allocation of public funds for higher education has persistently fluctuated below 1 per cent of the overall national budget (SSO, 2008, 2011; Ministry of Finance, 2011)<sup>11</sup>. Compared to the EU average of 1.22 per cent of 2009 (Eurostat, 2013), the Macedonian higher education is largely underfunded. Accordingly, there has been a flat stagnation in the percentage of funds allocated for higher education from the total education budget. Its share has fluctuated from 10 to 12 percent. In addition, the state participation in the overall budget of public universities, with certain variances between institutions, has been around 40 per cent – with almost 85 per cent of these funds dedicated to salary expenditures – leaving very little space for capital investments (Ministry of Finance, 2011).

Consequently, the insufficient allocation of funds has resulted in a fall of basic schooling standards. In most universities the inadequacies of their infrastructure has been apparent, whereas lectures are now

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<sup>9</sup> Cited from <http://www.utrinski.com.mk/?ItemID=16B60B6D55DF0C49B540426DFBEAF8CB> [Newspaper article: *Universities have no money for decentralized studies* (Macedonian)].

<sup>10</sup> See: <http://www.utrinski.com.mk/?ItemID=1F3AB794C1B5C5449A13D19E0DFC08BC> (Newspaper article: *The decentralized studies need millions* (Macedonian)].

<sup>11</sup> Author's own calculations. Last official available data is for 2003 (Eurostat), when higher education represented 0.51 per cent of the total 3.39 per cent education budget.

often held in public owned buildings, kindergartens, hotels<sup>12</sup> and other venues that sometimes do not meet even the most basic requirements of tertiary schooling (Popovski, 2010).

In addition, the worsened student-teacher ratio going from 28:1 in 2004 to 35:1 in 2010 (SSO, 2011), has dramatically increased the workload of current academic personnel, endangering the already limited pool of teaching staff on offer. In the absence of teaching staff to respond to the increasing number of students, often lectures have been done by retired professors, field experts or indeed anyone – which has further contributed to a justified scepticism of the lack of personnel, finances and infrastructure.

It is thus evident that the initiative imposed by the government has taken very little consideration of the surrounding issues of increased attainment. There has been a considerable trade-off between quality and funding on one hand and increased higher education participation rates on the other. The former Minister of Education admitted decline in the quality standards of higher education, referring to them as a necessity in the process of restructuring.<sup>13</sup> The policy in place has been concentrated to illustrate quantitative progress while certain fundamental problems have been ignored. The quantitative measurements of progress have supplemented quality related issues, contributing to a limited and limiting depiction of the higher education landscape (Collini, 2012). Most certainly, increasing the number of students or attainment rates does not automatically reveal that a qualitatively justifiable action has occurred. In this sense, the quantitative measures have been a rather reductive exercise at the expense of what is of value.

In order to maintain certain levels of quality, Macedonian universities are now increasingly seeking for alternative sources of income, to replace the pre-existing public funding paradigm. For example the Tempus Programme has been one of the key instruments for supporting higher education reforms in the country since 1996, with more than 20 million euros allocated over a decade.<sup>14</sup> Some universities have

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<sup>12</sup> See: <http://www.dnevnik.com.mk/default.asp?ItemID=4EBBDB8F385B4240A2C3441F082478E8> (Newspaper article: *Hotel 'Vila Zora' will become a faculty* (Macedonian)).

<sup>13</sup> See: <http://www.kanal5.com.mk/default.aspx?mId=37&egId=13&eventId=68183> [TV report: *Todorov confessed the drop in quality of education* (Macedonian)].

<sup>14</sup> For a summarized Tempus impact study for Macedonia see [http://eacea.ec.europa.eu/tempus/participating\\_countries/impact/macedonia.pdf](http://eacea.ec.europa.eu/tempus/participating_countries/impact/macedonia.pdf)

also provided education and expert services to private business<sup>15</sup> and more recently to governmental bodies.<sup>16</sup> One of the biggest drawbacks of these mechanisms is again associated with the fluctuation of the economic climate in Europe, which makes these funds uncertain even in the short term.

In an age of wider higher education funding austerity, following the example of some universities across Europe, Macedonian universities are now increasingly reducing their roles and limiting their education vision in order to adjust to the priorities of both public and private funding streams; thus often becoming training providers and facilitators for the government and to a lesser extent for the economy.

Currently in Europe, more vividly, a range of evidence mainly related to funding and policy priorities, indicate that the dominant EU education paradigm may threaten to suppress investing in courses that are not necessarily concerned with the priorities of governments and the EU economy. The E&T 2010 strategy and the successive E&T 2020 strategy have both encouraged member states in such directions - by setting an overarching target to increase graduates by at least 15 per cent over a decade and investing core funding in MST subjects as study areas that are believed to be crucial to the wider economic growth agenda.

Similarly, with regards to the distribution of research income streams, recent EU funding has been also heavily directed towards technologically driven applied research. It has been only recently in 2007 under the 7th Framework Program for Research where the humanities disciplines appear as a separate thematic priority, but again disproportionately funded with a share of only 1.2 per cent (600 million euro) out of the total 50 billion euro budget. In the follow-up Horizon 2020 Programme the social sciences and humanities receive a growing amount of funding from the European Commission, nonetheless, research in these disciplines remains a relatively new domain in the European funding schemes, with a proportionally small share of funds.

On national level, in the UK for example, the reorientation of funding priorities has also become a highly

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<sup>15</sup> This has largely applied to technical faculties that have been cooperating on national and international projects. See for example the list of project of The Faculty of Computer Science and Engineering – Skopje <http://www.finki.ukim.mk/en/about-faculty/projects>. Universities with departments in economics and law have also provided service mainly related to legislation expertize.

<sup>16</sup> <http://www.mia.mk/mk/Inside/RenderSingleNews/43/99390861> [Newspaper article: *The Government and the University of Skopje shall cooperate in the preparation of a study on demographic policy* (Macedonian)]

controversial matter. While core funding for humanities and arts has been steadily cut by the state following the recommendations of the Browne report, the support for mathematics, science and technology (hereafter MST) subjects have mostly remained designated “priority programmes” (Browne, 2010, p. 47). Consequently, many UK universities have reduced their offer of study programs especially in the arts, humanities and ‘soft’ social sciences. Apart from the UK, so far in the EU, the available data shows a significant number of countries (Estonia, Spain, Ireland, Denmark, Latvia) where course shutdowns are under way; and a similar scenario is to be expected in other EU member states (European University Association, 2011).

Similarly, in the case of Macedonia, a range of evidence shows that an emerging government paradigm threatens to suppress investing in study areas which are not (at least not directly) concerned with economic utility. The recent proposed ‘successive standby’ or closure of courses and research devoted to the study of the Macedonian language and literature is one example. Namely, under the recommendation of a recent study on the job market<sup>17</sup>, the Ministry of Education has identified these programs as study areas where large numbers of unemployed graduates have been identified. The proposal was later put to a hold after being strongly criticized by students, academics and members of the Macedonian Academy of Sciences and Arts (MASA).<sup>18</sup> The ministry’s proposal has been criticized as absurd, dangerous and harmful to the future of the Macedonian language as a national discipline<sup>19</sup>. Members of the writers associations and other prominent figures of the profession have warned that under the proposal Macedonia would have become one of the very few (if any) countries in the world where such distinct mother tongue related study areas are excluded from the nation’s own higher education system<sup>20</sup>.

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<sup>17</sup> The integral text of the study has not been made available to the public. A short summary of results has been presented on a press conference by the Ministry of Education and the Ministry of Labor and Social Policy see <http://mon.gov.mk/index.php/aktivnosti/888-2011-11-30-13-40-00> [Press release: *Study programmes and enrollment quotas according to the needs of the market* (Macedonian)]

<sup>18</sup> See for more

[http://www.inpress.com.mk/default.asp?ItemID=E8079344FCF7524886A1605FBD385D84&utm\\_source=daily.mk](http://www.inpress.com.mk/default.asp?ItemID=E8079344FCF7524886A1605FBD385D84&utm_source=daily.mk) [*Protest note from the department of Macedonian literature regarding the statements of Krlev & Ristevski* (Macedonian)] and <http://izlez.mk/?p=2605> [*Student proclamation in defense of the Macedonistics in Macedonia* (Macedonian)]

<sup>19</sup> See for more: <http://www.novamakedonija.com.mk/DetailNewsInstant.asp?vestInstant=1403> [Newspaper article: *Linguist from MASA against the standby of Macedonistics studies* (Macedonian)];

<sup>20</sup> See <http://www.utrinski.com.mk/?ItemID=CC98C84BDE57C74DB326ADEB0D1385F3> [Newspaper article: *The government defends the Macedonian language in Brussels while attacking it at home* (Macedonian)].

In the long, evidently, the policy may threaten to significantly erode the distinctive identity of the national culture, the maintenance of which many inside and outside Macedonia be held to have huge cultural value; arguably an act of cultural self-abolition - that flatly contradicts the stated commitment of the government to promote education at school level in the national language – especially coming at a time when the Macedonian national and cultural identity has been threatened on few sides.<sup>21</sup>

The implicit (but perhaps not intentional) outcome is that, both in the EU and in Macedonia, the increase in attainment levels is encouraged only if it prioritizes subject areas that are closely related to perceived immediate economic returns. Indeed, one of the dominant intentions behind the graduate imperative set in place relates to the utility of knowledge and the potential of higher education to create a more competitive economy; where employment now is increasingly moved from the most developed countries to the low wage economies, especially those in the Far East. The contention is that the only way for EU countries to compete economically is for them to keep their technological edge and create more technologically advanced industries; especially by the use of MST disciplines, which will be the springboard for the creation of highly knowledgeable, accomplished workers.

More broadly, this accumulation of a set of market-like tendencies has contributed to the creation of two largely misleading but very popular perceptions regarding the humanities disciplines - but not only relevant to them. Firstly, it is the mistaken notion that humanities disciplines wealth creation potential is much weaker than those of science disciplines, and that humanities poorly correlate with economic growth aims of knowledge-based economies; or an even more radical assumption that humanities are unproductive and thus cannot be justified on economic grounds.

Despite such claims, the continuing existence and even growth of the humanities nevertheless can be justified even on such instrumental grounds although perhaps in somewhat less explicit commercially evident ways than the sciences, but certainly not less important. Partly, the reason for this indirect - but in many ways considerable - linkage of the humanities to wealth creation is that these sorts of disciplines are not primarily preoccupied with money-making goals. Rather than focusing on economic

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<sup>21</sup> Since its independence in 1991, Macedonia has been in an international dispute with Greece over its official name usage, with several other terms of reference used when describing its name or referring to the Macedonian language. Similar but less forceful proclamations regarding the authenticity of the language have been present in relation to Serbia and Bulgaria.

outcomes alone, the humanities seem to address and contribute towards a much wider set of concerns, largely associated with the promotion of concepts such as democracy, critical thinking and citizenship – the flourishing of all of which is, nevertheless, positively related to overall economic success.

In this context, a closely related rationale attached to the increase in attainment rates, has been the perceived link to *occupational* mobility and future job prospects, particularly of MST graduates. As cited by many human capital theorists (Becker, 1964; Drucker, 1999; Stiglitz 1999) there is a strong and empirically verified positive relationship between educational investment and economic growth, which holds, it is claimed across different societies as a universal phenomenon.

Clearly there is an element of correct analysis in those knowledge economy arguments and undeniably, certain major sectors of contemporary economies are indeed, for their competitiveness and innovativeness dependent upon the advance of specially applied scientific and mathematical knowledge. However, this discourse largely driven by a more circumstanced focus on the economic crisis at the centre, responds less to particular education challenges and focuses more on the economic ones.

Stefan Collini (2012), a passionate apologist of the humanities, insists, against the common view of many political, policy and business officials, and also of many senior universities managers, that universities should not be rationalized and publicly defended mainly in terms of their irreplaceable contribution to wealth creation. This language of ‘producer’ and ‘consumer’ has become a regular practice in higher education, he says, particularly in relation to policy formation and its assessment. The economic justification for Collini has become so widespread and a dominant orthodoxy that very few are now even fully aware of, so that few ‘defenders’ of universities try to avoid speaking in these terms. Collini argues that strategically and tactically it may be a fundamental mistake to try to defend proper universities in such economic terms. Discussing the humanities disciplines, the principal defense should instead be, he suggests, that the humanities continue to address question of fundamental human value and importance. He warns that insisting on defending the humanities on the terrain of their critics, by trying to show an economic justification, risks fundamentally undermining the case of humanities and fails to offer an account on their most important social and cultural purpose. He thus clearly suggests that the unintentional consequence of such a ‘battle’ may be that it will only reinforce the position that the dominant point for judgment should be the economic one. In this sense, Collini appears to shift the terrain back decisively, by justifying humanities disciplines and universities in their own terms.

Another basic problem here is that links between economic growth and HE in general (not just in the case of humanities) are considerably less clear than what is suggested or perhaps desired by policy makers, human capital theorists or KBE supporters. Marta Nussbaum in *Not For Profit: Why Democracy Needs the Humanities* (2010) formulates a notion that democracy and all-out pursuit of economic growth are in certain ways, incompatible and damaging to the proper role of universities – as sites for developing students understanding of the world, but no less centrally, having a crucial role in promoting citizenship and a democratic ethos. A number of scholars (Halsey et al., 1997; Wolf 2002) argue that although higher education expansion and success is associated with certain element of economic progress, measuring and validating a direct spillover from higher education disciplines to economic growth, in itself, is limited and may be highly problematic; since a number of supplementary criteria (e.g social background, ethnicity, age, gender) shape and predict economic potential. Thus, arguably, there is a weakly evidenced notion of a supposedly persistent and automatic contribution of any HE discipline concerning economic efficiency in the EU all together.

An emerging ground of scepticism in this respect at present - most notably after the crises in 2008 – is that it is virtually impossible to precisely foresee the future demands for ‘graduate level’ employees regardless of the discipline, especially since national governments increasingly lose effective control to influence the job market. In fact, in times of record unemployment (around 10 per cent across the whole EU) and youth unemployment reaching 22 per cent – with figures reaching as high as 50 per cent in Spain and Greece currently (Eurostat, 2011) – the supposedly ‘high prosperous’ discipline do not necessarily guarantee level of remuneration ‘normally’ associated with these courses. This can apply even in relation to exceptional science students, who are often in a weak position to compete with the relatively cheap but in most cases equally qualified labour force outside Europe.

In a similar sense, a large number of employers confronted with the economic downturn will not be able to deliver jobs and wages expected and associated with differential levels of education. In fact, credential inflation is commonly encountered. The EU is in a situation whereby people with a higher education degree are forced to move down the occupational pyramid and take positions that are below their theoretical and practical skill levels. Already “more than one in five tertiary graduates are over-qualified for their job” (EACEA, 2012, p. 16), with figures reaching as high as 31 per cent in Spain and 45

per cent in the UK<sup>22</sup>; while a record 22 per cent of young people are unemployed (Eurostat, 2011).

The long-term phenomenon of credential inflation and misleading image of an immediate equation linking a degree to improved economic and career prospects has been even more explicit in the case of Macedonia. According to official data (MLSP, 2011), only 17 per cent of the 30-34 year olds in Macedonia have a higher education degree. This percentage is significantly lower compared to other countries in the EU where the rate ranges between 25 and 45 per cent (European Commission, 2012).

In addition, youth participation in the labour market is also low with only 22 per cent of the youth immediately transiting to employment and only 4 per cent transiting to a career job (Reactor, 2012). One of the most striking data related to the transition from education to employment is that “higher level of education is not advantageous on the Macedonian labour market: the likelihood of being employed does not increase for those with a university degree compared to those with a high school diploma” (Reactor, 2012, p. 32). Official SSO data shows similar tendencies - in the fourth quarter of 2011 compared to the same period in 2009, the number of unemployed youth with secondary education decreased, while the largest growth in unemployment was among those with a university degree - an increase of 14.3 per cent in only 2 years (SSO, 2012); it could be argued that the increase has been due to the rapid expansion in graduate students, nevertheless the data is still indicative of the indifference of the employment market to those attempting to secure a job via higher levels of education. In fact, only two out of ten graduate students are able to find any kind of job in less than 12 months (SSORM, 2010). This data signals that work prospects do not necessarily increase proportionally to the level of education received. Activity rates do not accord with the level of education and especially not with age. In this respect, the claimed higher earning potential of tertiary educated workers illustrates significant limitations.

The high proportion of the unemployed without tertiary education qualifications demonstrates that the market does not have the adequate capacity to absorb the increased number of graduates. This data seems to be crucial to understanding the risks involved in increasing higher education percentages at the same time as the market and the government employment measures are unable to deliver on

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<sup>22</sup> The data for the UK is based on youth (un)employment in the first two years after graduation.

student expectations. “When young people drop off the education production line and cannot find work at all, or [cannot find] work which meets their abilities and expectations, then we are only creating frustration with perhaps disturbing social consequences” (Bassey, 1992, p. 10).

Besides its educational consequence, the policy vision adopted by the government can also (re)produce and lead to a number of social consequences – most notably social unrest and massive migration. In Macedonia’s context, old inequalities based on family or ethnic privileges to education can arise; bearing in mind that a meritocratic system of employment is far from established. A very recent study on youth unemployment shows that family ties have a greater effect on employment than the level of education; it is confirmed by the fact that 37 per cent of those few young people who have found employment, have done so through relatives and friends - “cementing the social networks as the most important factor in job search” (Reactor, 2012, p. 72)

The second potential consequence is that the high rates of unemployment push forward the idea of migration. A recent study (Korunovska, Srbijanko, & Maleska, 2011) shows that almost 45 per cent of high school students see themselves living and working outside the country in 10 years’ time. This illustrates that from an early stage in life students are relatively disappointed and sceptical about their future opportunities within the country. The same research, however, showed that high school students future study plans display significant educational ambitions; for example 43 per cent believe that they will get a Bachelor degree or equivalent, 29 per cent plan on studying for a graduate degree and as many as 19 per cent plan on completing a doctoral degree. Kodrzycki (2011) based on his US study indicates that young university graduates are more likely to migrate away from those states with poor job opportunities than those without a tertiary education. According to World Bank data (2012), 23 per cent of Macedonian youth that has already migrated abroad have a tertiary education, which puts the country at the top of the list of Southeast European countries for exporting highly qualified personnel. In this sense, what seems to be an investment in the future *capital* of the country results in a substantial waste of highly educated human resources, since the internal setting within the country falls short in its capacity to utilise the trained abilities of its highly skilled workers.

## **Conclusion**

In this essay I critically assessed the EU higher education attainment target posed by the European

Union for 2020, as a vision of educational reform that proved to be highly influenced by assumptions about the irreversible shift towards a knowledge-based economy. Secondly, I considered this target in relation to Macedonia, as an EU accession country.

The introduction briefly discussed the course of recent EU higher education policy orientations, starting from the turn of the new millennium to the present, with particular reference to the use of benchmarking. The analysis shows that very few member states have actually committed to achieve the proposed EU targets. To a significant extent this has manifested itself as a result of lack of ownership and proper instruments as well as the absence of clear roles and responsibilities within the union. A preliminary assessment of the EU's 2020 goal on graduate attainment gives very little optimism that a major improvement in the approach towards target setting and their achievement will take place. In addition, the analysis suggests that benchmarking exercises of quantitative nature often threaten to present an incomplete depiction of the higher education landscape. The attainment target by itself and how it is presented in the EU 2020 strategy reveals little of the surrounding issues and thus it is unlikely to properly address issues of access, quality and funding in the process of achieving the target.

The second section of this essay discussed issues surrounding the shift towards more instrumental understanding of the use of knowledge. I have suggested that, although the evidence is still patchy and there are variations between different nations, the language of what is of value has been increasingly framed to affirm politically and economically driven instrumentalisation over higher education policies; where knowledge is increasingly taken for granted as something that could fit both political and economic goals – or similar instrumental 'uses'.

In this respect, both the EU and Macedonia have opportunistically over-emphasised the assumptions about the knowledge-based economy and its holistic outreach – higher education included. Paradoxically, the optimism towards the potential of higher education is not necessarily followed by an increase in funding. In fact, a considerable number of countries, including Macedonia, have expanded their higher education systems under reduced budgets and reduced public investment in higher education. Therefore, it is highly unlikely that the expected increase in HE graduates will be proportionally followed by increased HE funding - an issue that raises future concerns related to the maintenance of quality standards and sustainability.

Therefore, the tendency to attempt to radically re-shape or expand education when confronted with a stagnating economy and limited budget allocation is hardly the most appropriate scenario to try and enact; especially by undermining the wider role that education plays in society. A more gradualist and planned approach to educational development should be taken, both in the EU and in Macedonia, that values the social capital that graduates represent and the significant social and cultural contribution they make to society.

Further on, this analysis reveals that it is not obvious that investing into specific MST subject areas will automatically help EU economy as a whole, and still less to accession countries like Macedonia, to grow more effectively. Instead, a much broader understanding that justifies the attainment target should be taken as a prerequisite of taking action. The focus on subject priorities based on economic utility has had some potentially serious and detrimental effect on education that threaten to produce a monolithic higher education system, which rejects or at the very least, severely erodes core societal values as expressed by support for humanities and creative arts. The potentially retrogressive outcomes of the current policy frameworks undermine the pervasive myth and rhetoric used over the years by the EU and its claim of wide commitment to greater social justice and social mobility.

Lastly I have argued that policy makers have provided little evidence of a direct or constant association between higher education and improved economic performance in times of economic crisis. In fact, there is a growing ground for scepticism surrounding this issue in Europe. In both political and economic terms, what appears more significant is the lack of a precise correlation between high salary levels and high levels of higher education attainments within European economies. There is, in contrast, a growing sense of linkage between credential inflation and un-paralleled levels of youth unemployment. Additionally, the whole premise that there is a certain personal or national financial return or gain by investing in becoming a graduate has not found equal expression or voice across the EU; neither within or between nations and especially not in Macedonia – an experiment perhaps even ending in tears as rising number of graduates fall into a ‘lost hope’ category, with massive implications on highly skilled migration.

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