Overview of Higher Education and Research Systems in the Western Balkans

Albania

Elona Xhaferri & Jelena Branković
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April 2013

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About Country Reports

The series of reports entitled “Overview of Higher Education and Research Systems in the Western Balkans” is produced within the framework of the project “European Integration of Higher Education and Research in the Western Balkans” which is funded through the NORGLOBAL programme of the Norwegian Research Council. The reports cover seven higher education systems in the region – Albania, Bosnia and Herzegovina, Croatia, Kosovo*, FYR Macedonia, Montenegro, and Serbia.

Each of the seven reports represents an overview of the higher education and research systems in the region, covering topics such as policy, governance arrangements, funding, institutional landscape, and quality, while focusing on the major reforms and trends in the recent years. Aiming to secure a comparative perspective in writing the reports, their structure is built around the questionnaire produced by the project team.

Apart from striving to complement our knowledge base on the dynamics of higher education and research systems in the Western Balkan region, the purpose of the reports is to introduce these systems in a structured manner, as well as to offer a basis for prospective comparative research.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ opinion on the Kosovo Declaration of Independence.
European Integration of Higher Education and Research in the Western Balkans

Overview of Higher Education and Research Systems in the Western Balkans

Country Report: Albania

Elona Xhaferri² & Jelena Branković³

April 2013

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<thead>
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<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AC</td>
<td>Accreditation Council</td>
</tr>
<tr>
<td>ENQA</td>
<td>European network of agencies for quality assurance in European higher education</td>
</tr>
<tr>
<td>EQAR</td>
<td>European Quality Assurance Register for Higher Education</td>
</tr>
<tr>
<td>ESG</td>
<td>Standards and Guidelines for Quality Assurance in the European Higher Education Area</td>
</tr>
<tr>
<td>GERD</td>
<td>Gross Expenditure in Research and Development</td>
</tr>
<tr>
<td>HE</td>
<td>Higher education</td>
</tr>
<tr>
<td>HEI</td>
<td>Higher education institution</td>
</tr>
<tr>
<td>INSTAT</td>
<td>Albanian Institute of Statistics</td>
</tr>
<tr>
<td>LHE</td>
<td>Law on Higher Education</td>
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<tr>
<td>MoES</td>
<td>Ministry of Education and Science</td>
</tr>
<tr>
<td>PAAHE</td>
<td>Albanian Public Accreditation Agency for Higher Education</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and development</td>
</tr>
<tr>
<td>UIS</td>
<td>UNESCO Institute for Statistics</td>
</tr>
</tbody>
</table>
1. Introduction

Albania is a relatively small country in the Western Balkan. The political changes in 1990 which ensued led Albania to a transition path from centralised government rule to a democratic regime. The political changes led to a series of reforms and a transformation of the education system.

It was not until the second half of the 1990s and even more so during 2000s that higher education in Albania has started to experience significant changes, behind which massification, deregulation, privatisation and Europeanization have been the driving forces. Albania signed the Bologna Declaration during the Berlin Communiqué in 2003 by setting the path to structural reforms in higher education.

Sources & data

For the purpose of producing this report, we have used the quantitative data provided by the Ministry of Education and Science of Albania (MoES)\(^4\), the website of the official statistics agency - Albanian Institute of Statistics (INSTAT), UNESCO Institute for Statistics (UIS), as well as from a number of secondary sources. Laws and other regulatory documents relevant to HE have been also used. For the purpose of gaining a better understanding of the dynamics of the system and institutions and for interpreting certain phenomena, the authors have consulted and interviewed individuals working at higher education institutions in the country.

Structure of the report

The report roughly follows the structure of the questionnaire prepared by the project team which was used for all seven higher education systems. The following section focuses on the higher education system – its size, funding, quality and major reforms and policy trends in the recent period. Section 3 focuses on the same aspects of the research system, which, as it is the case elsewhere, to some extent overlaps with the HE system. In section 4, we move our focus to policy and governance arrangements and offer a rough interpretation of Albania’s higher education steering model.\(^5\)

Acknowledgement

The authors would like to thank to all individuals helping in collecting data and information about higher education in Albania. Special thanks go to Msc. Arjan Shahini, Advisor to the Minister of Education and Science in Albania, for invaluable inputs, literature and insights. The authors would also like to thank Prof. Dr. Bardhyl Musai, Advisor to the Prime Minister of Albania and Prof. Emil Lamani, from the

\(^{4}\) Much of the statistical data retrieved is not publicly available and is hereby referenced as “Statistics Department of MoES.

\(^{5}\) Most of research organisations in education in Albania focus more in pre-university education and less in higher education and research.
University of Polytechnics for accepting to participate in the study and for the enjoyable and valuable discussion during interviews.
2. The Higher Education System

This chapter outlines the main trends with regards to the number of staff and students and institutional landscape in Albania in the last decade, as well the current governance and funding arrangements, rules in place with regards to quality assurance, and higher education policy and the recent changes in this respect.

Institutions

The Law on Higher Education (LHE, adopted in 2007, amended in 2011) stipulates five types of higher education institutions in Albania (LHE, 2007, 2011): university, academy, school of higher education, interuniversity centre, and professional college. As specified in the article 5 of the law, universities provide education based on research and contribute to the development of knowledge. Their educational offer includes all three cycles of studies (Bachelor, Master, PhD). Academies, (article 6) provide professional education and creative activities in fields of arts, sports, security and defence and other fields of professional activities. They offer education programmes at all three different cycles of education, and are composed of at least two academic schools. They also carry out research in their respective fields. Schools of higher education (article 6), on the other hand, provide higher education mainly in the first cycle, and/or in the second cycle and they conduct applied scientific research. Interuniversity centres (article 6) provide programmes in advanced studies (upon the completion of the first cycle) and conduct research. Professional colleges (article 7) offer education and training in various fields of university and/or non-university vocational education of the first cycle of education. Therefore, we consider universities and academies to be university HEIs, while schools of HE and professional colleges are non-university HEIs.

Most of the higher education institutions are located in Tirana (5 public, and more than 30 private). Out of 44 private higher education institutions, 37 are located in Tirana and seven in other places across the country. According to the interviewee from MoES, most of the private HEIs are founded for profit reasons and 3 out of 44 function as non-for-profit education institutions. (MoES-1-EX)

With regards to the recent changes involving institutional transformation (2012), the government established the Academy of Arts in Shkodra, which later on changed status into the University of Arts, while another academy was transformed into the University of Sports. The most up to date transformation, which took place in February 2013, the Faculty of Medicine, formerly part of the University Tirana became independent and was given the status of university – to become the University of Medicine. With regards to permissions to work, in 2012 the government revoked licences of 3 private higher education institutions and suspended one (MoES-1-EX).

Three public universities in Tirana have set up new campuses in remote areas. The University of Tirana established campuses in Kukes and Saranda, University of Durres in Peshkopi, and University of
Agricultural in Lushnje. Furthermore, four private providers created new campuses in rural areas - Albanian University, Kristal University, American School and Medicom (MoES-1-EX).

If one is to look at the growth of the system and the development of institutional landscape in the last decade, Albania presents a very interesting case, this in particular after 2005 when first private HEI appeared. During 1990s and until 2005, the total number of HE remained virtually unchanged, with the public sector being the only one out there (Figure 1). Between 2004 and 2010, the total number of HEIs went from 12 to 41, with only one new HEI to be established in the public sector.

![Figure 1. HEIs in Albania by type of ownerhip](image)

**Source: INSTAT**

Currently, there are 15 public higher education institutions, consisting of 13 universities and 2 academies, 1 interuniversity centre (which is more of an institute than HEI) and 44 private higher education institutions, where 5 of them are universities, 5 professional colleges (offering only short and first cycle) and 34 schools of higher education (offering short, first and second cycle) (Table 1). Out of the 15 public higher education institutions in the country, 9 of them are based in Tirana, six in other cities of the country. Some universities have regional branches (faculties).

**Table 1. Public and private HEIs in Albania (2013)**

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nb. of university/vocational/professional HEIs</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Nb. of universities</td>
<td>15</td>
<td>44</td>
<td>59</td>
</tr>
</tbody>
</table>

**Source: Statistics Department of MoES Albania**
It should be noted here that the fact that a HEI has “university” in its name can be misleading, especially if under university one assumes comprehensive and research-intensive HEIs (more under “Professional and academic programmes” in this chapter).

**International partnerships and cooperation**

There are four foreign universities operating in Albania; University of New York, Tirana (2002), which also has other campuses in Athens, Greece and Prague, Czech Republic; Catholic University “Zonja e Keshillit te Mire” in Tirana (under the auspices of Vatican) in cooperation with Universita di Roma “Tor Vergata”, Italy; School of Higher Education “Canadian Institute of Technology”, Tirana, in cooperation with EduNova Group (Canada); Epoka University (2008) in Tirana owned by Turgut Özal Education Company, which has also been establishing Turkish elementary and high schools in Albania since 1992. (MoES-1-EX)

With regards to the disciplines provided by private HEIs, 28% of study programs are in economics (28%) and law/political sciences (17%). In recent years, there has been a trend towards specialised programmes such as fashion, aesthetics, religion, which until 2009 existed as specialised courses. In the meantime, the public sector further invested in traditional disciplines, such as natural sciences, medicine, nursing, agriculture and education (teacher training). (Department of Higher Education Policies in MoES)

According to the advisor of minister of education and science (MoES-1-EX), private HEIs compete with public ones in social science disciplines and sciences and nursing, mainly because of the limited student quotas in public HEIs. In the cities outside Tirana, private HEIs compete with much lower fees (comparable or similar to those of the public universities in Tirana). He elaborated that the main advantage of private providers are: (a) flexibility in meeting student demand in new study programmes; (b) attraction of academic staff by financial side benefit, such as higher salaries, good marketing strategies and (d) modern infrastructure in terms of better provision of student services and facilities. Their disadvantage, on the other hand lies with (i) the relatively poor quality of students enrolled, (private HEIs are the second best option for student who perform lower scores in Matura State Examination, a centralized distribution system); (ii) work environment poses restrictions to academic staff in particular, subded to the profit-making administrators; and (iii) the low ratio of academic personnel with Ph.D. and academic titles in some of the private providers and only for full-time staff.

**Structure of educational provision**

The Law (2007, 2011) stipulates the types of tertiary education programmes and qualifications in the framework of the three-cycle system as laid down in the “Bologna” documents.

The following study cycles are included in the Albanian system with their respective degrees (article 26 of the HE law): (i) Short cycle: Professional studies (two year, 120 ECTS); (ii) First cycle: Bachelor study programmes (Bachelor degree, three years, 180 ECTS); (iii) Second cycle: (1) Master study programmes
(Master of Science or Master of Arts, two year, 120 ECTS), (2) Professional Master programmes (Master of Professional Studies, 1.5 years, 60-90 ECTS), (3) Integrated study programmes of the second cycle mainly in human medicine (5-6 years, 300 ECTS); (iv) Third cycle: Doctorate study programmes and long term specializations in medicine (PhD., three or more years, at least 60 ECTS in theory and methodology).

Public universities enjoy academic freedom as the LHE, article 3 defines "the right to independently develop and implement curricula and research projects; the right to determine student eligibility to various education programmes." The content of curriculum is formulated by the department of the institution and its members whereas “each curriculum is based on state national standards, which have defined objectives, determined by the set of knowledge and competences a student must have by the end of a study programme." (EACEA, 2012a, p. 15)

The introduction of the new degree structure has coincided with the an increase in total number of study programmes and one could argue that it has facilitated it to some extent. On the other hand, as the number of both public and private providers increased, along with the total student numbers, it could also be argued that the number of programmes would have been increased even without the restructuring of studies. The number of integrated cycle study programmes (4 years) in the period 2005-2006 was 76 ("old system" programmes), while in the academic 2012/2013, there were 315 programmes of the first cycle, 451 of the second cycle (236 master of science and 217 master of professional studies) and 92 PhD programmes (Statistics Department of MoES). Arguably, the rapid increase in the number of private providers has without doubt contributed to this expansion in the study programmes as well.

There is no data on whether the introduction of the new degree structure contributed to higher completion rates and/or faster study progress. In a similar way, there are no systemic data concerning degree structure contributing to mobility, nonetheless, according to MoES, recent cases have demonstrated that the degree structure does facilitate the mobility of students from public to private and among private HEIs (MoES-1-EX). Similarly, relevant data on mobility of students and staff does not exist.

**Professional and academic programmes**

The study programmes in public and private HEIs are mainly academic programmes. According to LHE, universities can provide both academic and professional programmes, but only one public university (University of Durres – est. 2005 with this very purpose) offers professional degrees (short cycle programmes). University of Durres has a faculty for professional study and training in cooperation with industry (currently has only bank sector – Commercial Bank of Albania), like the German “Berufsaakademie” (MoES-1-EX) , to facilitate employment in labour market (FASTIP). The Government has increased the student quotas for the labour market oriented study programmes such as information technology.
According to the classification of HE systems by (Kyvik, 2004), and if one follows what is laid down in the legal framework, the Albanian higher education system is a stratified system. Yet in reality the system contains the characteristics of a unified system.

Moreover, there is a hierarchy in terms of the study cycles HEIs provide and their mission: (1) Universities (three cycles; fundamental and applied research), (2) Academies (three cycles; art, defence and professional training and research), (3) Schools of higher education (two cycles; applied research); (4) Professional colleges (first-cycle and non-university degrees, professional vocational training). Among other missions universities, according to article 5, transmit knowledge in scientific and professional disciplines. According to article 6 schools of higher education (Shkolla e Larte, also literally like the earlier Hogeschool in Netherlands (MoES-1-EX) are mainly teaching institutions and university-like institutions. Article 7 also provides that universities may establish professional colleges within their framework (for example in the newly established University of Durres). There are only five very small private professional colleges and only one of them offers a short-cycle program. All public higher education schools and academies were upgraded to universities. Private schools of higher education promote themselves in the status of universities and aspire to become such. On the other hand, according to the interview data, the government encourages public universities to offer professional programmes and vocational training. (MoES-1-EX)

**Staff**

Following the number of students and establishment of new HEIs, the total number of staff at HEIs in Albania has been increasing in the past several years (Table 2).

*Table 2. Academic staff (FTE; 2007/2008-2011/2012)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Academic staff (FTE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/2008</td>
<td>5707</td>
</tr>
<tr>
<td>2008/2009</td>
<td>6633</td>
</tr>
<tr>
<td>2009/2010</td>
<td>8476</td>
</tr>
<tr>
<td>2010/2011</td>
<td>9865</td>
</tr>
<tr>
<td>2011/2012</td>
<td>10652</td>
</tr>
</tbody>
</table>

(estimated) increase in total number of staff 2007/08 – 2011/2012

54%

*Source: Statistics Department of MoES Albania*

There are no restrictions to appoint staff according to the needs of HEIs. Article 47/48/49 of Law on HE provides total authority and responsibility to the universities. However, article 50 sets a floor for the teaching load and gives the Minister the authority to issue a decree (nr. 20, 09.05.2008 "On the

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6 Data for FTE administrative staff is not available.
According to article 78 of the law on HEI “Public institutions of Higher Education are entitled to elaborating and approving of their own annual budget as rectorate, faculties, departments, research centres and other entities equal to these, in compliance with their own statute and regulation. All these entities are autonomous in the administration of their budget in compliance with laws and bylaws acts in force.” However, the universities have also to comply with the law on financial management (Law nr. nr.10 296, date 8.7. 2010 “On the financial management and audit”).

There is less flexibility towards pay scale structure of university staff in public HEIs. The rector, who recruits academics and administrative staff has less scrutiny over stimulation of financial scheme based on the performance of staff. Article 78 of the LHE stipulates that “Public institutions of Higher Education are entitled to elaborating and approving of their own annual budget as rectorate, faculties, departments, research centres and other entities equal to these, in compliance with their own statute and regulation. All these entities are autonomous in the administration of their budget in compliance with laws and bylaws acts in force.” But universities have to comply with the law on financial management (Law nr. nr.10 296, date 8.7. 2010 “On the financial management and audit”). According to Law Nr 9936 date 26.06.2008 “Budget Management System” in Republic of Albania, the institutions propose the budget the government approves it. Subsequently the government allocates the overall budget and HEIs specify the budget items such as (salaries, insurance, and expenditures) through the decisions of the Administration Council, a collegial body within HEIs that oversees and monitors the financial management of the HEI. Salaries/staff in HEIs are determined in the respectiv e Decisions of the Council of Ministers including the way of distribution by HEIs. National authorities decide detailed pay-scales within staff categories the salary for every work position. For the Academy of Defence, the recruitment requirements for both categories are defined by the Institution and the Ministry of Defence. They also involve training and doctrines Command and General Staff. (MoES-1-EX)

The financial management of private HEIs is independent and there are no provisions in the LHE concerning their funding. Nonetheless, their financial administration is overseen towards fulfilment of obligations stipulated in chapter VI of LHE, whose compliance is conditioned by the means financial management is carried out.

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7 Article 50 specifies the criteria for employment in institutions of higher education, for every category of academic and administrative personnel, are defined in the statutes of the institutions. These personnel are employed full time or part time. The candidates compete on the basis of public competitions. There are no restrictions to appoint staff according to the needs. Article 47/48/49 of the law on the higher education provides total authority to the universities, but article 50 sets a floor for the teaching load and gives the Minister the authority to issue a decree (nr. 20, 09.05.2008 “On the academic activity of the academic personnel”) to regulate the teaching and research activity of the academic personnel.
Students

In general, Albanian student body has been growing in the past decade and according to a Eurydice report (2012), Albania was noted for the fastest growing student body in Europe – from 2003/04 to 2009/10 the increase was 129%. The trend is even more striking when one looks at the data starting from 1994 (Figure 2). In about 15 years, the student body in Albania was virtually quadrupled.

However, the growth is not equally noted for all levels of higher education, nor in all types of HEIs. Private HEIs have a cumulative increase compared to public HEIs, as concerns enrolment of students mainly in Bachelor and Master levels. Between 2007/2008 to 2008/2009, admission rates were negative in public HEIs, however, the opposite was true about the private HEIs.

It should be pointed out that the number of students public universities have to accept is determined by other authorities. The Law on Higher Education (HE) (articles 33, 34, amended by Nr. 10 493, date 15.12.2011) stipulates that admission quotas in first, second and third cycle studies in public HEIs are proposed by MoES and approved by the Council of Ministers. The MoES is primarily informed by the public in consultation with the Council of Higher Education and Science. Furthermore, public universities have limited authority to appoint new staff to efficiently serve to growing number of students. Hence, student-staff ratio has risen substantially (Figure 2), compromising the quality of the academic process. This was particularly the case in certain fields, e.g in economics is about 50:1 and in law 60:1 (Statistics Department of MoES).
Between academic 2007/2008 and current academic year, the total number of students in Albania at ISCED 5 level has increased by more than 50%. In relative terms, the private sector has undergone a larger expansion, but is still far smaller than the dominant public sector (Figure 4). Notably, while the private sector reached its peak in this period in academic 2011/2012, the public sector continued increasing its enrolment rates.
If we look at the data from INSTAT on different universities (Figure 5), we can note that Tirana university, being the “flagship” one in Albania, has not only always been the largest (both among the public and private HEIs), but has also experienced the largest expansion.

Source: Statistics Department of MoES Albania

Source: INSTAT
Funding

Public HEIs are state funded institutions, mainly financed through the state budget. Nonetheless, this has proven as insufficient for HEIs to sustain themselves and improve the quality of their output. Moreover, public HEIs do not have full autonomy in managing these funds. The allocation mechanism of government funds is not performance-based, while according to the National Strategy for HE 2008-2013, “Financial procedures have been such that they did not encourage HEIs to generate more income, despite the positive attempts which have been made in this sense.”

The state funding is predestined and these funds fall into two main categories (a) unconditional transfer and (b) transfer on competition for investment. The unconditional transfer serves to cover the expenses related to the functioning of HEI and the steady financing, while the transfer on competition for investment is used to finance investment for construction or other big projects as described in the procedures for the management of the public investments.

According to the European Commission questionnaire completed by MoES (2010), public universities negotiate their budget with government and their level of funding they eventually receive, based on the list of priorities listed, in compliance with the limitations of government budget for higher education (Education and Culture, chapter 26, questionnaire). The same source lists figures for total investment in education (Table 4). Albania spends less than 0.7 per cent (public and private expenditure) of its GDP on higher education, albeit, according to the interview, the government has agreed a target of 1% of GDP on higher education by 2014–15, an increase of about 10% per year (MoES-1-EX).

Table 4. Investment into the higher education system as % of GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>Total investment in education (public and private)</th>
<th>Public investment in higher education and research</th>
<th>Private investment in higher education</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>4,1%</td>
<td>0,6%</td>
<td>N/A</td>
</tr>
<tr>
<td>2009</td>
<td>4,6%</td>
<td>0,8%</td>
<td>N/A</td>
</tr>
<tr>
<td>2010</td>
<td>4,8%</td>
<td>0,7%</td>
<td>N/A</td>
</tr>
<tr>
<td>2011</td>
<td>5,2%</td>
<td>1,0%</td>
<td>N/A</td>
</tr>
<tr>
<td>2012</td>
<td>5,3%</td>
<td>1,1%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: “Science and Research, chapter 35” Questionnaire completed by MoES for the European Commission

Following the classification of funding mechanisms by Jongbloed & Koelman (2000, p. 14), Albania can be categorised as a HE system with centralized system of funding which is input based and is also known to be a traditional type of budgeting, “where allocations are based on requests (activity plans, budget proposals,) submitted to budgetary authorities, known as negotiated funding.”

8 See Annex 2
In terms of tuition costs, there is a degree of cost-sharing between students and the government. The student fee ranges from 100 EUR to 150 EUR per year for first cycle students, or less than 20 per cent of the total cost of teaching (Education and Culture, chapter 26, questionnaire”). In Albania, students are treated as either part-time or full time, whereas part-time studies are likely to be related to higher contribution through tuition fees than full-time studies (Eurydice, 2012).

Table 5. Percentage of students paying tuition fee (estimate ISCED 5 – Bachelor and Master)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State budget quota</td>
<td>22%</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>Fee paying</td>
<td>78%</td>
<td>69%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Source: Statistics Department of MoES for data on quota students, calculation done by the authors

According to the LHE (Art. 73), public HEIs are entitled “to make their regulations with regard to the use of their own generated incomes and funds”. Institutions have leeway to internally allocate the state grant or own incomes as set in the statutes of the institution, pursuant to the financial provisions of the laws in force.

Table 6. Tuition fee in university and non-university HEIs in Albania (in EUR; 2012)

<table>
<thead>
<tr>
<th></th>
<th>Non-university HEI</th>
<th>University HE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>800</td>
<td>1500</td>
</tr>
<tr>
<td>Masters</td>
<td>N/A</td>
<td>1200</td>
</tr>
<tr>
<td>Integrated</td>
<td>N/A</td>
<td>4500</td>
</tr>
<tr>
<td>PhD</td>
<td>N/A</td>
<td>5000</td>
</tr>
</tbody>
</table>

Source: “Science and Research, chapter 35” Questionnaire completed by MoES for the European Commission

With regards to private HEIs, according to MoES, the total private investment to higher education is 2,5 – 3 % of total GDP (PMA-2-EX). Apart from the public funding, the main current source of income for public HEIs are students (Hatakenaka & Thompson, 2006).

In 2007, the government established the “Excellence Fund” was created in order to support the fast pace development of human resources in HE. This programme gives scholarships to new academic staff.

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9 Data per type of HEI not available
10 “These are students who failed to secure entry to their preferred diploma course by means of the exam(s), but are prepared to pay the ‘full cost’ fees privately and so gain entry without having to satisfy the usual academic entrance requirements. The numbers of such students are limited, by Law, to 10% of the total students; some faculties reach this 10%, other faculties have no such students.” Hatakenaka, S. & Thompson, Q. (2006). Albania Higher Education Report: Report submitted to the European Investment Bank.
that wish to pursue part of their studies, or their entire PhD studies and Post-Doctorate studies in renowned foreign universities. This programme also supports Albanian students that pursue master level studies in one of the 10 best universities in the world. In exchange, upon their return, the graduates have to be employed by a university in Albania for a period of time. The Excellence Fund and “Brain Gain” programme\(^\text{11}\) have boosted external mobility of students outward and inward. The scholarships granted from 2007 until now, are as below:

- (a) 26 scholarships in 2007
- (b) 19 scholarships in 2008
- (c) 14 scholarships in 2009
- (d) 42 scholarships in 2010
- (e) 66 scholarships in 2011 (MoES-1-EX)

HEIs have no ownership over institution premises; as such they cannot make use of them as assets for profits. This deprives universities to obtain financial benefits as some universities possess spacious laboratories with hi-tech equipments obtained by donations, EU funded and regional projects, and conference rooms. University of Polytechnic received World Bank donation in the past, used to purchase lab equipment for academic purposes. (UoP-3-EX)

**Quality**

The two competent bodies for external quality assurance are the Public Accreditation Agency for Higher Education (PAAHE) and the Accreditation Council (AC). PAAHE became operational in 2001 and AC in 2003. They were founded on the basis of the Decision No. 303, dated 1 July 1999, and reorganised under the Decision No. 424, dated 2 July 2010.

They are the only legally recognised public, as well as national institutions, responsible for external quality assurance of public and private HEIs and programmes in Albania. PAAHE is the only public institution responsible for the evaluation of quality in higher education. The AC is a collegial body, supported and technically assisted by PAAHE. The Law on Higher Education also permits the recognition of other quality assurance agencies that are member of ENQA. The rules for their operation are approved by the Council of Ministers. Decision No. 424/Art. 5 defines rules for the operation of foreign agencies that are recognised by ENQA or EQAR. Currently, there is one foreign agency (FIBAA, Germany) operating in Albania. (PAAHE, 2012)

Prior to issuing diplomas, all HEIs in Albania, public and private, are subject to initial accreditation. Article 62/3 specifies that accreditation is a pre-condition for issuing publicly recognised diploma. The final decision for an accreditation is taken by the MoES, relying on the recommendation of the AC (Art. 62/1) (PAAHE, 2012).

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The Law on Higher Education No. 9741 dated 21 May 2007 sets the legal framework for quality assurance and accreditation in higher education. It distinguishes between internal quality assurance, external quality assurance and accreditation. The Law is specified by Decision No. 424, dated 2 June 2010, (Approval of the regulation of Accreditation system and the organisation and operation of institutions of external quality assurance), amended by Decision No. 368, dated 14 April 2011 (PAAHE, 2012). Three categories of quality assurance are determined:

- Internal quality assurance systems and mechanisms are under the responsibility of the HEIs themselves, but adjusted with the external QA processes.
- External evaluations, performed by PAAHE or any other agency that is a member of ENQA, as stated in the Law from 2007.
- Licensing and Accreditation, which is the process of formal recognition of HEIs and their programmes in the Albanian territory. Based on the outcomes of external peer reviews, the AC makes recommendations for the accreditation decisions.

In 2011, four sets of standards were issued:

- State Quality Standards of Higher Education Institutions
- Standards for Accreditation of First Cycle Study Programmes
- State Quality Standards for Evaluation and Accreditation of Second Cycle Study Programmes of Higher Education Institutions
- State Quality Standards for Evaluation and Accreditation of Third Cycle Study Programmes of Higher Education Institutions

The standards took into account the effectiveness of the HEI’s internal quality assurance processes. They verified the compliance of the study offer with the institutional strategy and profile, the processes for the implementation and review of study programmes, the assessment of students and teaching staff, the necessary resources for the implementation of programmes, internal information systems and information to the public. Two standards (II.3 and II.4) stress the institutional processes for the improvement of study programmes. In 2012, PAAHE prepared new guidelines for internal evaluation of HEIs according to the new standards as well as the ESG. (PAAHE, 2012)

The Law on Higher Education declares the responsibility of HEIs for the internal quality assurance. HEIs are required to establish internal quality assurance units that periodically evaluate teaching, research, administration and finances. The Law also determines the operational autonomy of the units and their right to access all data of the institution. The units have to include one student representative and one external expert.

In practice, several universities have set up internal units for quality assurance that work on the basis of guidelines and have competences in the quality assurance of teaching and research. Some examples are the Polytechnic University of Tirana, Tirana Agricultural University, European University of Tirana, University of New York Tirana, University of Arts. Other HEIs charge curriculum offices with special competences for quality assurance (e.g. University of Tirana, University "F. S. Noli, Korçë, University" E.
Çabej "Gjirokastër). And there are even other approaches to organise and implement internal quality assurance. (PAAHE, 2012)

The Albanian legislation requires new HEIs to external quality assurance through licensing. Once they received state recognition (license), all HEIs are subject to accreditation. Both institutions and study programmes (BA, MA) are subject to compulsory accreditation at least one year before the first diploma is issued. PhD programmes can undergo accreditation phase only if the HEI offers accredited BA and MA programmes. If a HEI does not apply, the diploma will not be registered by the MoES.

PAAHE and the AC bear the responsibility for the entire accreditation process that is carried out through peer review. In accordance with national regulations, PAAHE sets guidelines for self reports, nominates external experts (peers), organises the site visits, co-ordinates the experts’ reports and gives suggestions regarding the accreditation decision. The Decision No. 368 – Article 3 (6.1) regulates that PAAHE verifies the quality of HEIs and their programmes by means of the Agency’s ranking and analysis exercises as well as annual reports to be provided by the HEIs. Relevant field experts and PAAHE staff perform direct control of documentation, and they may be present during the exams and graduation sessions as well as scientific conferences\textsuperscript{12}.

PAAHE prepares annual schedules for assessments which are approved by the MoES. This calendar is made public for all public and private HEIs.\textsuperscript{13}

The autonomy of PAAHE in defining its procedures is laid down in Decision No. 424/Article 3. PAAHE has the formal competence to supervise the HEIs during the period between two accreditation processes.

The Accreditation Council consists of eleven members who are appointed by the MoES upon proposals from the HEIs, the MoES and the Council of Higher Education Art. 60 (3)\textsuperscript{14}:

(i) five members nominated by HEIs through the Rectors’ Conference
(ii) three experts from different disciplines (two of them are foreigners, proposed by international accreditation agencies); one these represents the private sector
(iii) one representative of the Ministry of Education and Science
(iv) one representative of the Council of Higher Education and Science
(v) one student nominated by the National Student Council

The chair is appointed and relieved of duty by the Prime Minister upon proposal by the Council members and the MoES. The chairperson appoints a deputy chairperson. Rectors, deputy rectors and deans are excluded from membership in the Council, Art. 60/3.

\textsuperscript{12} Decision No. 368 – Art. 3 (6.1)
\textsuperscript{13} Decision No. 424 – Art. 3 (30)
\textsuperscript{14} Decision No. 424 – Art. 6 (2)
PAAHE is funded by the MoES and in 2011 its budget amounted to about 25.368.000 LEK (about 180.000 €). The budget covers the staff costs (around 60%), the cost of the AC (around 6%), the remuneration of external experts (around 25%) as well as other operational expenses. The costs of evaluation and accreditation procedures are borne by the HEIs (approx. 2.000 €/programme), which is further transferred to the state budget.\textsuperscript{15}

PAAHE has been working with HEIs by supporting them to introduce and develop internal quality assurance mechanisms, criteria and procedures for their internal quality management. This support has been available by participation of national and international experts\textsuperscript{16}. Five members are nominated by higher education institutions in Albania, two foreign experts, proposed by international agency quality assurance system in higher education. Last year significant changes were made as in the AC. Two members have joined it, the Executive Director of Austrian Accreditation Agency and the Director of a private agency ASIIN in Germany. Both agencies are members ENQA. PAAHE is associate member of ENQA and last year applied to become a member with full rights.

**Recent changes and specific characteristics**

The earlier mentioned reform initiatives aimed to include Albanian universities in the European Higher Education Area (EHEA) and adopted the Bologna Process as a framework for the new system, which was to be facilitated by the new LHE adopted in 2007. This was followed by the restructuring of educational provision at all levels of higher education.

According to the Progress Report on the implementation of the National Strategy (Department of Strategy and Donor Coordination, 2009), the aim of the measures introduced during 2007–2008 was to align all first cycle programmes across the country, to introduce student credits as a performance-measuring unit, increase student mobility opportunities and organize part-time or distance studies as a facilitating measure for lifelong learning. Study programmes based on a three-cycle system (Bachelor, Masters Degree and Doctoral Degree) started with the academic year 2009-2010.

At the same time, several other developments and trends can be identified to have been the case in Albanian HE system. A most notable one refers to the growing demand, liberalisation of the regulation on establishing HEIs and emergence of private providers made way for the number of students enrolled at all HEIs to double compared to four years ago.

However, the data on socio-economic background of students is not available and the exact effect the expansion has had for the composition of student cannot be determined. Still, the government has identified certain group as particularly in need of material support and has introduced incentives for the individuals belonging to the blind, Roma or Balkan Egyptians in terms of reduced tuition fee or no fee at all. At the same time, the government has introduced the same kind of incentives for ethnic Albanians

\textsuperscript{15} ibid
\textsuperscript{16} ibid
living abroad, as a measure to attract them to study in their home country. This group is particularly targeted by this measure, given the proportion of budget quota placed allocated to them (Figure 5).

In line with this policy, programmes such as “Brain Gain” and “Fund of Excellence” have been set up to encourage young people who have completed their master or PhD studies at foreign universities to return to Albania. In addition, these programmes support completion of doctoral qualification and research studies in areas which are of vital importance for the socio economic development of the country.

Starting with the academic year 2006-2007, student admissions to higher education institutions have been based on a so-called “merit – preference” principle, i.e. on the combination of the state “matura” results and on the students’ preference.

With the aim to increase transparency in the Albanian higher education system, as well as to inform policy makers and the broader public about the performance of Albanian HE, in 2010, MoES commissioned Centre for Higher Education Development (CHE) to develop a concept for a multidimensional ranking of Albanian HEIs. Interestingly, the Ministry’s idea to rank Albanian HEIs was not positively received with all HEIs, in particular the large public ones, such as University of Tirana. This MoES’ initiative can also be interpreted as an attempt to address system expansion, in particular in the area of the private HE providers.

According to the interview (MoES-1-EX), MoES is planning to introduce a model that will provide real opportunities to progressively enhance private-public partnerships (PPP). The alleged private investments would cover 20% of the total funding in education. This is expected to increase wider autonomy and better universities governance, so as they can become entirely public instead of state bodies. In 2013, the government will introduce a new funding formula based on the principle “money follows students” and HEIs will become public institutions, accountable to students and less state bodies.
Albania’s specific challenges arise from the rapid massification, on one hand, and the unprecedented growth of private providers, at a faster rate than in any other Western Balkans country. At the same time, it is argued (National Strategy for Higher Education, 2007), that public universities lack the capacity to address the needs of the changing environment. There are two reasons for this, the first being their limited autonomy and independence, in particularly financial in the case of the latter, from the state, while the latter being more internal in its nature and concerns the effectiveness of university management, which is still predominantly bottom-up, even though the set of competences of the leadership and management structures has been broadened by the current law (UoP-3-EX) (more under Chapter 4. Governance and policy).

Another set of specific challenges, though not directly or solely linked to higher education, is the developing economy and its inability to absorb also the rising number of graduates. The rate of young people, especially highly educated ones, leaving the country is alarming, triggering government’s reaction to this through the already mentioned “Brain Gain” programme or measures to attract Albanian nationals from Diaspora to enrol in HEIs in Albania (UoP-3-EX).
3. The Research System

Size of the research sector

Prior to 2005/6 there were independent research institutes responsible for fundamental and applied research and development attached to the Academy of Sciences of Albania (ASA). In 2006 the research institutes were separated from the Academy and were integrated into the three universities in Tirana. The rationale was to make the use of human capital and resources of one another and “focus the necessarily limited resources on the real and practical needs of the country.” (Hatakenaka & Thompson, 2006, p. 21), as well as to “upgrade the academic, laboratory and scientific capacity” of universities (Department of Strategy and Donor Coordination, 2009, p. 56). The Research Institutes, formerly part of respective ministries were organized into twelve Technology Transfer Centres (ibid.) Government research institutes belonging were re-organised and twelve technology transfer centres and agencies were created, having as their main mission the transfer of technologies and knowledge with technical support to policy-making in the relevant field. (See Annex 2)

Albania started reforming its scientific research system in 2006, with the integration of the former institutes of the Academy of Sciences into the major public universities. The role of the Academy now consists, as in most European countries, of representation and advice. The research institutes under the line ministries were also restructured and merged into 12 newly created technology transfer centres and agencies.

Currently, the institutions conducting R&D activities in Albania are universities (public and private), national research centres, public centres/ agencies of development and technology transfer; centres/agencies/institutes and other private enterprises dealing with research, development, technology and knowledge transfer fields. However, the data on the total number of units within universities is not available. Still, according to Statistics Department of MoES provided to the European Commission for the purposes of the evaluation of progress in EU integration (EC Questionnaire, Chapter 35, 2010), there are 4 academies, research centres/agencies under the supervision of competent ministries, research, technologic development and innovation units, as part of the various ministries, 2 military research institutes/centres and industry based governmental and private-owned RD institutes/centres/foundations. There are no centres of excellence in Albania.

From yet another source (Czech Liaison Office for R&D, 2011), the data on research institutions retrieved indicate that in 2009/2010 there were in total 11 public universities that conduct research, among them are Polytechnic University of Tirana, Agricultural University of Tirana, as well as 29 private universities, approximately 53 private research organizations, 6 national research centres (Agency of Environment and Forests, Institute of Cultural Monuments, National Agency of Natural Resources Albanian, Geology Service Institute of Transport, Institute of Construction) and 6 centres of innovation and technology transfer (in Agriculture). In terms of more recent data (2010 – 2012; Sula, 2012), in total
there are 47 universities: 12 public and 35 private that conduct research, 12 state funded research institutes.

The most recent available data on R&D activity from UNESCO Institute of Statistics dates from 2008 (Figure 5) and according to this source, the government funding for R&D is accounts for 80% of total GERD. In 2007 and 2008, GERD expressed relative to GDP was 0.09 and 0.15% respectively (UNESCO IUS).

On the other hand, only two sectors of R&D activity in the same year (also in 2007) reported to have staff engaged in R&D – government and higher education (the other two according to the OECD classification, being business enterprise and public non-profit; Figure 6). The number of total R&D staff for these years is rather modest, yet given that the reform activities were only initiated in 2006 and that the government announced increase in investments in the National strategy for Science, Technology and Innovation, and in particular involvement of the business sector, we may expect that the sector has experienced growth. It is, however, important to note that the fact that the business or non-profit sectors are not visible in the official statistics does not necessarily have to lead to the conclusion that these sectors were not conducting any R&D activities, and certainly not in more recent years. According to the European Commissions’ Analytical Report on Albania’s progression towards EU membership (Commission Staff Working Document, 2010), a system for data collection which would also include the private sector was not in place (at least not until 2010).

Figure 7, Table 7 and Table 8 give an overview of some of the indicators on the personnel in R&D in Albania collected by UNESCO Institute for Statistics. Notably, according to the UIS online databases, the data for 2008 are the most recent ones in this respect. INSTAT, on the other hand, does not provide data for R&D on its web pages.
Table 7. Staff, administrative and academic

<table>
<thead>
<tr>
<th>Year</th>
<th>FTE (Total R&amp;D personnel in FTE)</th>
<th>FTE administrative (other supporting staff)</th>
<th>FTE research (researchers and technicians)</th>
<th>Total number staff (Total R&amp;D personnel in HC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/2009</td>
<td>779</td>
<td>192</td>
<td>587</td>
<td>2892</td>
</tr>
</tbody>
</table>

Source: UNESCO Institute for Statistics (the most recent year available)

Table 8. R&D personnel per million inhabitants, thousand total employment, thousand labour force, % female

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total R&amp;D personnel per million inhabitants (HC)</td>
<td>909.03</td>
</tr>
<tr>
<td>Total R&amp;D personnel per thousand total employment (HC)</td>
<td>2.27</td>
</tr>
<tr>
<td>Total R&amp;D personnel per thousand labour force (HC)</td>
<td>1.97</td>
</tr>
<tr>
<td>Total R&amp;D personnel (HC) - % Female</td>
<td>49.76</td>
</tr>
</tbody>
</table>

Source: UNESCO Institute for Statistics

The recruitment of academic and research staff in the research and higher education institutions is the competence of institutions, based on an open competition. The Ministry of Education and Science determines the total number of research positions. The Senates and the Board of Administration at universities specify the number of positions at the faculties and the departments. The statutes of universities and research institutions determine the complete qualification criteria for each position as well as the recruitment procedures. (EC Questionnaire, Chapter 35, 2010)
Research funding

The financing of scientific research is executed through research projects. Financing of scientific research is distributed through the following mechanisms: direct financing of research institutions pertaining to responsible ministries, university R&D financing and competitive funds (research projects compete for funding). The Agency for Research, Technology and Innovation (ARTI) is a public, legal institution under the competences of the Council of Ministers and its role is to support, monitor and evaluate programs and projects in the fields of science, technology and innovation in the country.

The selection procedure for projects is carried out through open competition for all programmes included in the National Programme of Research and Development (NPRD) in the public and private sectors. The evaluation of project-proposals occurs anonymously, with at least 2 experts selected from the Directory of High Education and Science and approved by the Ministry of Education and Science in the evaluation committee. Government funding of research is carried out through a number of other ministries and public organisations, directly or indirectly involved in research and innovation policies or activities, or both.

The level of investment in research in 2009 was 0.2% of GDP, which is considered “very low” by the standards of the European Union, with whose policies Albania is striving to align also in the area of R&D (Commission Staff Working Document, 2010, p. 103). Still, when this is compared to the UIS data from previous two years, 0.09% and 0.15%, the 0.2% indicate an increase. However, due to the already mentioned lack of systemic monitoring of the private sector activity in this domain, it is not possible to estimate what private contribution to total investment in R&D is. Also, and in association with its EU accession, Albania has been eligible to participate in Seventh EU Research Framework Programme (FP7) since 2008.

Quality assurance in research

As stipulated in the Law on HE, Article 59, HEIs are responsible for internal quality assurance. Besides evaluation of academic programmes, they are required to also assess research activities. Internal quality evaluation for research is one of many other component that undergo evaluation by the institution.

The Public Council for Accreditation of Higher Education - a collegial body part of the National Agency for Accreditation of Higher Education -- features 2 members who are international experts in the field of accreditation who carry out on-site evaluation while assessing higher education institutions (public and private).
4. Governance and policy

The Government and Parliamentary Bodies are the highest authorities that determine tertiary educational policies, as set forth in Constitution. They formulate and pass laws and other regulations in the field of tertiary education (EACEA, 2010). The Ministry of Education and Science is the main state institution responsible for education policies and management of the entire education system. According to the interviewee’s statement (MoES-1-EX), the Ministry counts 116 civil servants, two main directorates for pre-university and higher education with their respective departments, in total seven departments. It is supported by 13 regional educational directorates and 24 educational offices operating at a local level. MoES plays key role in the development of higher education in terms of monitoring the system, applying government policy and strategies, setting guidelines for the financial and human resources management through ministerial orders, setting guidelines for the quality assurance and also approving the accreditation decisions of the Accreditation Council etc. The Ministry mobilises different advisory boards on specific issues. The most important advisory board, invested with authority by the law, is the Council of Higher Education and Research (MoES-1-EX).

With respect to the new legislation, one could not that Albania has been rather active in passing new regulation in order to address challenged posed by a dramatic growth in the system, on one hand, and challenges coming from its membership in the European Higher Education Area and also EU accession. Apart from already mentioned strategies for HE and science and the HE law from 2007, Albania has also enforced legislation in the area of national qualifications framework (2011), vocational education (2011), regulated professions (2009), and also numerous bylaws and accompanying documents, notably in the area of quality assurance and evaluation.

In terms of recent changes in the policy implementation and accountability mechanisms, it is interesting notice Albania’s efforts to increase robustness of the reporting system in place within the government, as a means to integrate cross-sectoral policies and mobilise resources used for their implementation. Namely, there are two core processes that cover all government organisations and activities: National Strategy for Development and Integration (NSDI), which establishes the government's medium to longer term goals and strategies for all sectors based on a national vision; and Medium-Term Budget Programme (MTBP), which requires each ministry to develop a 3-year plan to deliver programme outputs to achieve its policy objectives and goals within the ministry's expenditure ceiling as set out in the government's fiscal plan.

The Ministry of Education and Science submits a report to the Ministry of Finance and the Council of Ministers through the platform of IPS (Integrated Planning System) and DEBASKON (Department of Strategy and Donor’s Coordination) twice a year. IPS is a set of operating principles that ensure that government policy planning and monitoring as a whole takes place in as efficient and harmonized way as possible. The Integrated Planning System is the key national decision-making system for determining strategic direction and the allocation of recourses. It is a process and a number of products that constitute a broad planning and monitoring framework designed to ensure that the Government of
Albania’s core policy and financial processes function in a coherent, efficient and integrated manner. DEBASKON was established with the primary aim of ensuring that (by the time) fragmented strategic planning and budgeting processes of the Government were coherent and effectively managed and the external assistance was targeted towards national priorities. DEBASKON plays a central role in the implementation of IPS and is mandated to ensure that the Government’s priorities and the requirements for EU and NATO integration are fully reflected in all core government policy and financial planning processes and communicated to all stakeholders. (MoES-1-EX)

With regards to the buffer structures, MoES is supported in carrying out its activities by its agencies such as: National Inspectorate of Pre-University Education (NIPE), Institute of Education Development (IED); National Agency of Student Assessment (NASA); National Agency of Admissions in Higher Education Institutions (NAAHEI); National Agency of Vocational Education and Training (NAVET). The Ministry may initiate a proposal for amendments of the law, the allocation of public funds, approves the yearly student’s quotas according to the HEI’s proposal, approves the establishment of new faculties or study programmes in cooperation with the Accreditation Agency, issues ministerial decree to regulate the management of human resources and provides advises to the HEIs on different matters such as on management. The Council of Ministers has to finally approve the quotas, the funding, and the establishment of new faculty or of a new study program. The role of quality assurance is given to APAAL (Public Agency for the Accreditation of Higher Education), but the Minister has the final approval for the accreditation.

In terms of institutional governance, the 2007 LHE introduced certain novelties with the aim to strengthen the role of the upper tier of governance structures, such as placing more decision making power in the hands of the rector. At the same time, with the LHE provision to have 49% of the members of the Administrative Council come from outside the university, the state sought to strike the right balance between the university’s internal reality and the dynamics of the “outside” world, as well as to introduce elements of accountability mechanisms (Nelaj, 2009). However, as universities in Albania are still essentially meritocratic community of scholars (Olsen, 2005) where leadership is elected and thus arguably “leadership is obligated to reflect the balance of the internal community interests” (ibid., p. 66), it is not sufficiently clear to what extent this empowered leadership can take effective decisions.

The Albanian model of governance can be classified as dominantly a sovereign rationality-bounded model, leaning towards the institutional steering model, with some elements of the corporate-pluralist and the supermarket models (Gornitzka & Maassen, 2000). The Law on HE and the National Strategy for Higher Education 2008-2013 set the role of higher education system as the governmental instrument for reaching the national political, economic and social goals. So far the assessment and the accountability of public universities is measured through the compliance with the governmental or ministerial decrees. The government regulates mainly the financial domain and universities are autonomous in their administration, however the law regulates the staff promotion and the institutional organization of the universities. The government has set a new reform agenda to increase the autonomy of universities and introduce market mechanisms. Changes in political leadership do affect the overall approach of the government toward higher education. This is reflected whether higher education is a priority for the
government to allocate a certain amount of budget, in terms of undertaking reforms and setting the agenda for policy change that directly affect institutions, academic staff and students. After Albania signed the Bologna declaration in 2003, the wave of reforms was intensified and public and political attention was higher, compared to the previous years.

If one is to determine which of the three “forces” dominates in the context of Albanian HE (market, state or academia, Clark, 1983), one would find elements of all three. Not surprisingly, it would also be a hybrid if looked at through the lens of Olsen’s (2007) four visions of university organization and governance. Starting as a distinctly state-centred model at the end of previous century, with the academic self-governance as a potential counterweight, Albania has shifted away from the state and more in the direction of empowering institutions through their internal governance arrangements, especially after 2007 LHE, which introduced new governance arrangements and increased the autonomy of universities (Nelaj, 2009). At the same time, market was gaining in prominence, both in the eyes of policy makers and universities, which was particularly boosted with the rise of the private higher education sector. Government’s aim to strengthen the role of higher education and research in its national development policy, as well as its policies and new regulation with regards to quality, could be interpreted as state’s attempt to reclaim its position as the one who defines the rules of the game, also with regards to research. Thus, the system represents a mixture of the one in which the university is an instrument for national political agendas, a rule-governed community of scholars (with often conflicting interests), which does not shy away from market-like behaviour.
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**Interviews**

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Interview “PMA-2-EX” - Interview with advisor to Prime Minister, Mr. Bardhyl Musai, by Elona Xhaferri, January 2013
Annex 1. Schematic presentation of the funding scheme

TOTAL FUNDING FOR UNIVERSITIES

- RESEARCH FINANCING
- 6X STRATEGIC DEVELOPMENT FUNDS
- PUBLIC FUNDING TO UNIVERSITIES WITH STUDENT BASED MECHANISM
- TUITION FEES
- NON-PUBLIC REVENUE

PUBLIC FUNDING

National Agency of Research and Innovation (AKTI)

By University rules

Scholarships
Student Loans

Full Cost Students
Development Contracts

Academic Staff

Source: Ministry of Education and Science
Annex 2. The Research system in Albania (following the institutional reform of 2008)

Source: Czech Liaison Office for Research and Development