

# Capacity Building in Economics

## Education and Research in Transition Economies

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## ANNEX A: SUMMARY FINDINGS ON ECONOMICS INSTITUTIONS THROUGHOUT THE REGION

This section summarizes our survey findings on specific features of economics education and institutions in the 20 countries. The findings are derived from our background studies and the principal consultants' knowledge of the institutions in question. Our aim was to evaluate promising sites for centers of economics education and to give some indication of the institutions that might be worth looking at. The studies did not attempt a systematic evaluation of the institutions mentioned but rather were intended to assess the state of economics education and research in these countries.

### *East-Central Europe*

#### *Albania*

Albania (3.3 million inhabitants) has long been the poorest country in Europe. It moved from the old Soviet degree system to the Western degree system in 1993. Economics education is poor because of a shortfall of all kinds of resources, but academic freedom exists. Foreign degrees are recognized. Traditional public universities still dominate, but they receive minimal public funding and charge no tuition fees. Albania receives substantial foreign aid from many sources. It has a weak base for economics education, but its students could go to a regional center. The prime aim should be to get funding for good Albanian students to go abroad to get Ph.D. degrees.

- The University of Tirana is the dominant university. Its department of economics has 1,700 undergraduate students and 180 graduate students. The university has a M.A. program in cooperation with Lincoln University in Nebraska.

#### *Belarus*

Belarus (10.3 million inhabitants) has done little to reform higher education. Government control and animosity have left economics education in a precarious state. The old Soviet system of centralized state control and Soviet degrees has survived, but public funding has fallen and a large number of professors have left their underpaid jobs. While M.A. degrees are now recognized, Ph.D. and other foreign degrees are not. Since the Soros Foundation office in Belarus was forced to close, foreign assistance to the education system has diminished.<sup>20</sup> Following a rapid expansion of private institutions of higher education in the early 1990s, a state accreditation committee forced most of them to close in 1997 on quality grounds. Today, there are 20 private institutions of higher education, with a total of 28,900 students. There is a severe shortage of Western textbooks. Private universities live on tuition fees, while side payments are prevalent at public universities, which have no tuition fees. The priority for Belarus must be to fund scholarships abroad

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<sup>20</sup> While the in-country office remains closed, the Soros foundations network continues to support civil society in Belarus through activities based at Soros Foundations in neighboring countries and through a Belarus project established by the OSI-Paris Office.

for Belarusian students at programs such as the EERC at the University of Kyiv-Mohyla Academy.

The main institutions of higher education are:

- Belarusian State University, the traditional national university, has large resources and an extensive network of international contacts, but its professors and curricula are old style.
- The Belarusian State Economic University, the traditional economic university, is similarly old style.

The European Humanitarian University is the leading private university with an economics department. It has a Western-style economics curriculum. It charges tuition of \$1,000 a year.

### *Bulgaria*

Bulgaria (8.4 million inhabitants) has done fairly well in reforming its higher economics education. A new law regulates higher education in a reasonable, Western-oriented way, and a Western-style degree system was introduced, though the procedures for awarding doctoral degrees are unduly bureaucratic. Public funding for education fell 60 percent in real terms from 1992 to 1996. About half of the students pay tuition fees. Bulgaria has considerable international support, primarily from the EU, which has enabled Bulgaria to establish two good economics programs. Leading universities with economics education are:

- The American University in Blagoevgrad functions on the U.S. model. The university's autonomy is protected by law. The university is funded by various foreign foundations, corporations and governments, with the Open Society Foundation and the U.S. Government the main funders. The university is widely considered to provide the best economics education in Bulgaria, but it has no graduate program in economics. The economic program has 83 students. As a next step, the American University should consider adding an M.A. degree program in economics.
- Sofia University has a faculty of economics and business administration, which was reestablished in 1991. It offers a four-year B.A. program in economics, a M.A. program in collaboration with Erasmus University, and Ph.D. research programs. Two to four Fulbright professors teach economics at the university each year. Since 1997, a consortium of four French universities has cooperated with the faculty. It is the only university to have attracted a Bulgarian-born economist with a Ph.D. from a Western university.

### *Former Yugoslavia (Croatia, Macedonia FYR, Slovenia)*

Of the five countries that constituted the former Yugoslavia (22 million inhabitants), only Croatia, Macedonia FYR, and Slovenia are discussed here. Reflecting basic differences