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Tertiary education in Slovenia – participation, efficiency, quality, financing and employability

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Summary

The working paper focuses on trends in enrolment in tertiary education and graduates, which have an impact on future labour market supply. Apart from participating in tertiary education, it is also important that students acquire knowledge and skills that will contribute to their employability. The movement of the number of graduates is, in addition to the number of people enrolled by type of programme, also impacted by student performance. The employability of graduates is, besides by the labour market situation, also influenced by the quality of tertiary education and activities of higher education institutions. The state influences the achievement of tertiary education targets by modes of financing and the level of expenditure. Tertiary education and its objectives are included in several European and domestic strategic documents.

The share of young people enrolled in upper secondary educational programs that enable a direct transition to tertiary education is high, while their number has been decreasing. Given the decreasing number of youth finishing upper secondary education, the number of young people who are likely to pursue tertiary education is expected to decrease in the future.

In post-secondary vocational education and in undergraduate higher education the number of registrations is much lower than the number of enrolment places. However, there are huge differences between full-time and part-time studies. In full-time study the number of registrations is higher than the number of enrolment places, while in part-time study the opposite is the case. The number of people enrolled in tertiary education is decreasing, which is mainly connected to the declining number of young people for enrolment in tertiary education. The ratio of the number of people enrolled in tertiary education to the number of those aged 20-29 years is high. Until 2012 the number of graduates from tertiary education had been increasing, which influenced labour market supply and contributed to a mismatch between the supply of and demand for tertiary

graduates. On the other hand, it contributed to an increase in Slovenian human capital. Human capital is otherwise one of the main factors in economic development, but the problem is its inefficient use. In 2013 the number of graduates decreased and, given the declining number of people enrolled in tertiary education, it is expected to decline further in the future.

The number and the structure of students and graduates by study programme and field of education affect the (future) labour market supply. The number of people enrolled in post-secondary vocational education has been decreasing since study year 2010/2011 due to a strong decline in part-time enrolment. The number of students is also decreasing in professional higher and academic higher study programmes, which is attributable to a decreasing number of young people for enrolment and the introduction of Bologna shorter programmes and uniform Master's programmes. On the other hand, with the introduction of second cycle degree programmes, which are free-of-charge for full-time students, the number of people enrolled in Master's programmes increases. Consequently, their share in the total number of people enrolled in tertiary education has risen substantially. The share of part-time students paying tuition fees decreases. The decline in part-time students is favourable in terms of accessibility of tertiary education but not so in terms of expenditure. Private expenditure, which can be an important source of funding for educational institutions, is decreasing.

The share of women enrolled in tertiary education is much higher than the corresponding share of men. The participation of young people (20-24 years old) in tertiary education, which strongly exceeded the EU average in 2012, remains high (2013/2014: 47.3%). The high participation of youth in tertiary education in Slovenia is due to the high share of young people enrolled in upper secondary programmes that enable a direct enrolment in tertiary education and a high graduation rate, as well as tuition-free first- and second-level studies for full-time students. The participation rates of the middle-age group between 30 and 39 years and 40-64 year-olds in tertiary education are much lower. The Resolution on the Master Plan for Adult Education in the Republic of Slovenia from 2012 until 2020 adopted in 2013 provides for co-financing of part-time post-secondary vocational education to increase the interest in this type of study. Looking at the structure of tertiary-level students, the highest, albeit declining, share is accounted for by the field of social sciences, business and law. In the 2008/2009–2013/2014 and 2000/2001–2013/2014 periods, the share of people enrolled in the field of science, mathematics and computing increased most notably. In both the structure of students and the structure of graduates, the field of health and welfare accounts for a much lower share than in the EU. In the 2008-2013 period, the number of graduates increased in all fields of education, except social sciences, business and law, while the share of graduates increased most in science, mathematics and computing. In the structure of students and graduates, there are huge differences among study programmes.

The efficiency of tertiary education is also important in addition to participation. The share of repeaters in post-secondary vocational education is high. In full-time higher undergraduate and uniform Masters' studies, it is highest in the first year, which is the most selective. The rate of transition of full-time students from the first to the second year

of study is low, which can be explained by fictive enrolments. In previous years, the average study duration was impacted by the possibility of students to enrol in full-time post-secondary vocational education in repeat years. With the introduction of Bologna programmes, the average duration of study has been shortening. The share of fictive enrolments in full-time post-secondary vocational education and in full-time higher undergraduate studies is high. The low efficiency is related to the shortage of workplaces for people with a tertiary education, benefits for students and the mode of financing tertiary education. The low student performance has negative consequences for educational institutions, society and public finances. In the future, the number of fictive enrolments is expected to decrease due to the implementation of the Act Amending the Post-Secondary Vocational Education Act adopted in 2013.

A high-quality study has a positive impact on student performance (study progress and completion) and contributes to graduate employability. According to the Eurobarometer surveys, the satisfaction of employers with graduates' skills is relatively modest; moreover, tertiary educated people themselves have a relatively poor opinion about the quality of education. The share of employers who are very satisfied with graduates' generic skills is below the EU average. Given that active modes of teaching play a significant role in skills development and the quality of study, it is necessary to improve the ratio of the number of students to the number of educational staff. Higher expenditure per student can also contribute to better study conditions, but the increase in this expenditure per se does not necessarily translate into higher quality. Moreover, there is also room for improvement as regards teaching staff and hence the quality of teaching. It is necessary to increase the quality of post-secondary vocational education and in higher education and implement the recommendations of the quality analysis for the period 2010-2013.

The financing of tertiary education is strongly associated with its accessibility, quality and efficiency. Under the old (i.e. pre-Bologna) system, full-time undergraduate students did not pay tuition fee in Slovenia. After the introduction of Bologna programmes, full-time students in first and second cycle degree programmes at public higher education institutions and in study programmes with concession at higher education institutions with concession don't pay tuition fees, which is favourable in terms of accessibility. However, there are no regulations regarding student obligations and responsibilities, which has a negative impact on student performance. Performance-based funding of educational institutions is another factor contributing to more efficient functioning of educational institutions. The financing of higher education institutions is governed by the Decree on Budgetary Financing of Higher Education and Other University Member Institutions adopted in 2011 which takes into consideration quality, internationalisation and efficiency, it should contribute to attaining higher education targets and stimulate competition among higher education institutions. The majority of EU countries charge tuition fee for first and second cycle degree programmes, while the amount of tuition fees and the share of students who pay tuition differ strongly. Some countries condition free study by regular advancement of students. Slovenia doesn't offer students loans. The share of public expenditure on tertiary education as a percentage of GDP exceeded the EU average in 2011. In 2012 public expenditure for transfers to students and households decreased strongly as a consequence of the implementation of the Exercise of Rights to Public

Funds Act, which limited some benefits to students and their families. The expenditure on educational institutions per student is low, which is unfavourable in terms of stimulating quality.

The transition of higher education graduates from study to employment is affected by the situation on the labour market, an individual's personal characteristics and higher education institutions' involvement in making the transition easier (career counselling, inclusion of generic and practical skills in study programmes, different modes of university-business cooperation, study-related work experiences, taking into account employers' needs in designing study programmes and stimulating acquisition of entrepreneurship skills). According to the Eurobarometer survey, 43.6% of employers in Slovenia think that higher education institutions should include sector-specific work placements as an integral part of the study programme in order to improve graduates' employability. Generic skills are also considered important by employers. Their development is stimulated by active teaching modes and study-related work experience. In Slovenia a higher share of young people than in the EU-27 perceive lack of entrepreneurial skills as an inhibiting factor in deciding to start their own business. Some of EU countries track students and graduates. Slovenia has already established a state-level system for tracking students, while the tracking of graduates' career development has yet to be introduced. In Slovenia higher education institutions have strengthened activities to stimulate graduates' employability, but there is still room for improvement. Career services have strengthened in the last few years, which has had good results. EU countries stimulate graduates' employability in different ways. In some countries (Denmark, Sweden and France), higher education institutions are legally required to provide career counselling. In Austria representatives of higher education institutions and social partners hold regular meetings to discuss how to improve graduates' employability. Examples of good practice developed by some universities in Finland, Sweden and in Germany show that practical work experience indeed facilitates the transition from higher education to the workplace. Furthermore, cooperation between higher education institutions and enterprises in designing study programmes can also raise employability, as was the case at universities in the Czech Republic and Spain. In some EU countries generic knowledge is included in study programmes. Furthermore, some countries (Denmark, Finland, Poland, Germany and the Netherlands) have developed examples of good practice in the field of stimulating entrepreneurship skills.

Slovenia faces a number of challenges in the area of tertiary education. The participation in tertiary education is high, but it is the use of human capital that represents a problem. Moreover, the state should have more authority regarding the distribution of enrolment places in higher education. Enrolment in tertiary education should be more closely aligned with labour market needs. Furthermore, it is necessary to focus on measures that would increase employability of graduates. Further challenges include increasing expenditure on tertiary education, improving the quality of teaching and student performance, establishing a system for tracking graduates and measuring employers' satisfaction with graduate knowledge and skills. It is also necessary to strengthen university-business cooperation, include study-related work placements as part of study programmes and promote the acquisition of generic skills. Moreover, it is necessary to focus on creating jobs for people

with a tertiary education and thus address another important challenge, the issue of brain drain.

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