

THE UNIVERSITIES PROJECT OF THE SALZBURG SEMINAR
VISITING ADVISORS REPORT

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Introduction

The Visiting Advisors Program of Salzburg Seminar's Universities Project was created to provide universities in Central and Eastern Europe as well as in Russia and the NIS (all of whom have attended previous Universities Project symposia) with an opportunity to enhance the process of institutional self-assessment and change by inviting a group of senior university educators and administrators for a consultant visit. By the nature of the Program, it is left to the host institution that requests consultation to decide which specific themes it would like to see addressed during the visit; it is also a matter of the host university to design the actual agenda of the meetings and to provide an analysis of the issues and problems to be addressed, as well as factual information about the institution and the context of higher education in the host country, thus enabling the visiting consultants to prepare for the discussions in an appropriate way. The visit itself is an exercise in peer-group review in its best sense—colleagues who share similar occupations and interests come together for an open-minded exchange to learn from one another.

The New Bulgarian University (NBU) chose an unusual format for the discussions with the Visiting Advisors team. It organized a three-day

open seminar entitled "The International Development of NBU: Opportunities and Requirements" and invited all students, teaching staff and administrators of the university to register for participation in this exercise (the maximum number of participants was fixed at about 60). Thanks to this format, the visiting team was able to meet a very broad and diverse group of members of NBU for detailed and animated discussions about the future development of the university.

It bespeaks the spirit of trust, receptiveness and self-reliance of an educational institution that it arranges the visitation of a group of outside advisors as an open forum. This represents an enlightened and proactive approach toward addressing perceived problems and challenges. More importantly, it exemplifies creative service and activity to the university community. The university community itself—students, faculty, support staff, administrative officers and the governing board—joined together in a climate of inquiry, open discussion, and debate involving all of those served and employed by the university. This is most commendable. As a direct result of such openness and inclusiveness, the campus community participated freely, bringing genuine interests, concerns, and suggestions for improvement to the discussions. The major part of this report is informed by those candid, intelligent, and helpful discussions. The discussion format made the work of the visiting team not only a pleasure but also an easier task.

Agenda

Prior to the visit of the Salzburg Seminar team, NBU working groups prepared comprehensive information in four target areas:

Interdisciplinary Study
Academic Credits
Student Evaluation of Teaching
Financial Management - Tuition Fees and Remuneration of Employees

The meetings were organized in such a way as to allow for a concentrated input by the organizers during the plenary session on the first day; thorough discussions on the individual topics in four parallel working groups on the second day (with plenary feedback sessions in the middle and at the end of the day); and a wrap-up meeting of all seminar participants on the final day. The working groups were given the explicit task by the NBU organizers of the seminar to "identify flaws and suggest improvements in each area which will enhance the opportunity for NBU to meet international academic standards." For the working group sessions, the Visiting Advisors team split into groups, thus enhancing the opportunity for exhaustive deliberations in a smaller format.

The overall arrangement of the discussions proved to be conducive to participatory and well-focused dialogues between NBU representatives and the team. In fact, in the end the visiting team came to the conclusion that the seminar was a judicious balance of advice from outside consultants and a deliberate self-exploration on the part of NBU. The presence of sympathetic 'outsiders' served as a 'mirror' or a catalyst for a process, which was essentially that of the institution itself. The readiness and the commitment of so many individuals from all sectors of NBU to participate in this voluntary exercise was remarkable. The team was left with the definite impression that in all constituent parts of the university, there is an evident sense of commitment and eagerness to contribute to the advancement of NBU.

The Context - Opportunities and Constraints

Each university represents a world of its own, a complex system of interdependent structures and standards, activities and resources, individual and collective mind-sets. NBU has experienced a rapid development since it was founded only eight years ago. With now more than 8000 students, about 1300 teaching staff, and six different schools which offer a range of some 170 study programs, NBU is a well-established and at the same time highly innovative component of Bulgarian higher education. Bearing in mind the multitude of challenges that a still young and evolving institution is facing, the visiting team suggests a set of fundamental opportunities and constraints which in our view define the context of NBU's policies and strategies:

Opportunities:

- As a private university, NBU enjoys a relatively high degree of latitude and flexibility with regard to its governance structures and the design of its study programs. It can operate in a climate of unhindered academic entrepreneurship and, up to a certain degree, '(university) life is what you make it!' Closely linked to this is

- The relative financial independence. By charging tuition fees and generating project-based funds, NBU is a self-supporting operation. Given the continuing steady diminution of funding of state-supported higher education over the past decade not only in Bulgaria, but in other ‘transition countries’ as well, financial independence is a value that cannot be overestimated.

- NBU cultivates its self-proclaimed mission as a place that offers an alternative to the traditional mode of Bulgarian university education, organization and management. As a result, it displays a strong sense of institutional identity that affects all constituent parts of the university. It 'makes a difference' to study, or work, at NBU.

Constraints:

- Currently, more than 85 per cent of the total teaching staff serve at NBU on the basis of one year, part-time contracts. While this was advantageous during the initial period of NBU's existence (because it allows flexibility and saves staff costs), it has led to a lack of core faculty while making the university highly dependent on the available supply of qualified part-time teachers and dependent on a hidden subsidy by state universities which might not be tolerated over a long period. The leaders of NBU have identified this problem and want to increase the ratio of full-time faculty to cover 50 per cent of the total teaching load by the year 2003. This is indubitably a commendable strategy, but it presents a great challenge to integrate a large number of new colleagues into the unique spirit, tradition and strategy of the organization and it will have major consequences for NBU's budget.

- As a private institution which must find ways to support itself, NBU needs to accommodate the academic/study program to changing market demands. The current composition of the university with a certain emphasis (in terms of student numbers) on law, business studies and public administration seems to reflect these demands. Is there a danger that too much concession to market-driven forces might jeopardize the coherence of NBU or vital parts of its overall mission? To be sure, flexibility is an absolute must for an organization like NBU; but the down side of flexibility is volatility.

- NBU was founded in an auspicious moment when a window of opportunity opened for private higher education in Bulgaria. However, the political landscape in Bulgaria, as in other countries in the region, is in flux, and the legal framework that regulates higher education is not yet firmly settled. NBU needs to protect itself from political vulnerability.

Open Communication and Credibility: General Comment

The New Bulgarian University (NBU) was founded in 1991 with the intention of addressing both a perceived national and educational need. With the ending of the previous authoritarian regime, Bulgaria needed to develop not only the institutions of democracy and an open economy, but also the habits of mind and behavior that would be appropriate to these new forms of politics and commercial life. Authoritarianism had been not only a fact of political life, it was also a "style" of academic practice—a style whose origins lie in the previous century when elite, didactic, and strict disciplinarity governed the conduct of universities in Europe. NBU consciously seeks to instantiate

an alternative educational pattern based on what it terms a “human relations“ model of academic interchange.

The core of the human relations model is “interactive communication.” In place of the top-down model of governance and teaching, NBU attempts to practice an open, dialogic, form of education in which the student is a participant, not a passive subject. The choice of student evaluation as one of the four areas of review was emblematic of the NBU human relations model.

The university-wide seminar, in which the consultants participated and which was attended in significant numbers by faculty, students, and administrators, was itself a modality of the interactive exchange that the University espouses.

Genuine communication demands credibility. Authoritarian regimes in or out of academia are not without incessant dialogue. The problem is that it is often only dialogue without substantiation—inflated rhetoric from above rather than discourse which values the listener. It was no surprise, therefore, that the issue of student evaluation turned on the matter of credibility. Students asked why they should evaluate faculty, courses, and programs if nothing ever came of the evaluations, e.g., the dismissal of inadequate instructors. Administrators countered, no doubt correctly, that actions were taken but that appropriate confidentiality was necessary in acting on student comments.

Credibility was also a central issue in the other three topics raised in the seminar: the credit system, interdisciplinary study, and finances. Was the credit system really a mechanism for a more open curriculum? Was the institution actually following an interdisciplinary model? What were the principles that governed budgetary allocation and tuition policies? By opening these issues to the university in the seminar, NBU undertook a positive and courageous step toward the sort of credible communication to which its basic model commits it.

NBU has clearly learned the lessons of “democracy” and the consultants could only applaud the drive for open communication. They would caution, however, that habits of the past are sometimes hard to eliminate. Communism has been characterized as a “command economy“ and one can hold to a command economy of communication even after that regime has past. A command model of communication is legalistic, bureaucratic, inclined to once-and-for-all solutions summed up in elaborate rules. Such a model has a certain transparency in that every action is pre-ordained by the rulebook. It is, however, a mechanical transparency such as that received from a computer—put in the right command and the computer gives you the right answer. That is not the model of transparency appropriate to the human relations model adopted by NBU. The **general recommendation** of the consultants relative to the range of issues raised in the papers and the visit is that transparency of procedure is the course to follow. There

should be visible, accessible structures of communication leading to decisions by known, prudent, credible authoritative bodies or offices. The older political and education model tends to be authoritarian, opaque, command centered and easily creates a climate of suspicion. The human relations model of NBU aims to be democratic, transparent, and communicative in order to create a culture of trust.

Focal Issues

Mindful of the four areas of concern that NBU had proposed as the focus of the visit, the team offers its own perspective on the nature of the problems and possible solutions. Because each of the problems has a different structure and because individual members of the Visiting Team were responsible for drafting the separate sections, there is a variation in manner of presentation that is, we hope, commensurate with the issues involved.

1. Interdisciplinary Study

The papers prepared for discussion were concerned to define the sense in which NBU displays "interdisciplinary" study. The issue is as much a problem of definition as it is of policy. The most general notion revealed under the notion of "interdisciplinary" had to do with the "style" or "culture" of educational practice. The NBU style is interactive and dialogic in contrast to the authoritarian lecture style dominant in traditional Bulgarian higher education.

Open style of education extends well beyond literal inter/cross/multi-disciplinary course structures. One might well teach a very linear discipline, e.g., physics, in an open style. One could also teach an inherently interdisciplinary field like anthropology in an authoritarian, non-interactive mode. The consultants had no quarrel with the "interdisciplinary" style and would only caution that an open style not be confused with demand for literal multi-disciplinarity in all areas. The general characterization of NBU as "interdisciplinary" is appropriate basically as a contrast to the dominant disciplinary authoritarianism of the more traditional university model, not as a strict definition of each and every course.

Implementation of "interdisciplinarity":

- the open style: there are problems of enculturation of both students and faculty in the NBU model. Faculty members have been educated in the lecture method and often find interactive teaching such as seminars, independent work, etc. awkward or inadequate. Students may come to the university expecting to be "filled with facts" as passive consumers, not active participants in learning. The consultants recommended careful attention to some extensive and intensive exercises of enculturation for new faculty and students. Exercises like the

seminars in which the consultants participated are themselves a device for enculturation.

- faculty terms: presently all faculty serve on one year contracts, and the majority of all appointments are part-time. This poses a dilemma for NBU. On the one hand, short term, part-time contracts respond to the experimental, changing ethos of the institution. On the other hand, short term, part-time faculty are less likely to be willing to be experimental since they may have an attenuated relation to NBU and its inner needs. External flexibility of the institution may collide with lack of inherent flexibility in the habits or commitments of individual faculty. NBU recognizes the dilemma and is moving toward more full time faculty—in which case the issue of flexibility will shift to maintaining experimentation with a more fixed cadre of instructors.

- basic education: NBU seeks to have a structure of basic education that would offer a “general“ education not tied directly to some advanced specialty. Basic courses would not be just introductions to an advanced field, but broadly conceived, cultural introductions—e.g. introductory physics, but physics as cultural achievement. Often such courses would be “interdisciplinary” in the most literal sense—combining disciplines and instructors in a course with extensive range. For reasons that are obvious from the above discussion of the prevailing university culture, it has proved difficult to recruit faculty for such courses. If NBU is to “solve“ this problem—it is by no means peculiar to NBU, Bulgaria, or Europe—it will have to be through a visible, determined enthusiasm for the importance of this educational approach and/or direct incentives from the institution (funds, academic leaves) to develop such courses.

2. Awarding and Accumulation of Academic Credits

In anticipation of the team visit, a NBU working group had drafted a background paper entitled "Credit Accumulation at the New Bulgarian University" (see Appendix) which described the problems and challenges with regard to this issue. The extended discussions during the visit reinforced the accuracy of perception and reporting acumen presented in this paper. The following is a summary of these discussions with the intent to focus the problem into a more manageable form. To this end, the inquiry method was employed to elicit responses to a series of pertinent questions from those most impacted and most knowledgeable about the defined problems/challenge, namely the students and faculty present at the working group session.

Inquiry Set

- What are the defined and understood purposes of the awarding of student credits and the credit accumulation policy of the university?

  Response: The response was that the purposes were defined and understood in policy by an informed reader (as detailed in the white paper.) The problem, however, is in the varied and non-uniform manner in which the credit system is administered and implemented.

- Are the stated purposes of the credit system accepted and embraced by the university community? If not, why not?

  Response: The stated purposes are embraced as an enlightened and unique approach toward awarding academic credit in Bulgaria. This fosters a sense of pride in the willingness of the university to be innovative and forward thinking in its policy.

- Should the stated purposes of the credit system be accepted? If so by all or just some?

  Response: The response was that the stated purposes should be accepted and they should be accepted by all elements of the university community.

- Is the system of credits being implemented throughout the university?

  Response: The responses were varied from an emphatic "yes" to some "no" answers, indicating uncertainty or confusion.

- Is there variation among university units or faculty with regard to how the system is being implemented and applied? In other words, is there uniformity in its implementation?

  Response: There is variation and thus a considerable lack of uniformity. Some examples of non-uniformity were given (for example, in the area of fine arts as well as other departments which also have different lists of sources for credit, etc.). In each of these cases, however, the group determined that these exceptions were acceptable.

In the course of the discussions it became apparent that the faculty and students shared a similar perception regarding the most negative impact of the current administration of the credit system at NBU. These included:

- The overall problem of *communication*. This includes confusion on the part of the student with regard to what is posited as university policy and standards (which by definition should apply and be implemented equally throughout the university) and vicariously implemented in a non-uniform and in numerous instances, in an idiosyncratic and non-coordinated way. In effect, the opportunity exists among university units to choose whether or not to implement university policy. The background paper prepared by the university details elements and examples of this overall communication problem, and some initial suggestions for improvement. We concur, and **recommend** that this overall, all-encompassing communications challenge continue to be addressed by the university community.

- Secondly, it was determined that a much needed element of student and faculty support and services would be the development and implementation of an effective, comprehensive student advisement and orientation program. To be viable and to provide adequate services, the program's creation and development should follow an inclusive approach involving the university community, starting with students and faculty/advisors/counselors. There exist at many colleges and universities—certainly in the U.S.—excellent models of student advisement and orientation including some which offer orientation courses to new students. (Some in use at Visiting Advisors' home institutions may be useful to NBU as examples.) It should be noted that programs of this kind require a substantial investment of time, material, technology, financial and human resources. However, such investment would be worthwhile in the interest of the suggested overall goal of NBU to improve the transparency of procedures and thereby strengthen the credibility of the human relations model of the university.

- Finally, the discussions proved that while corrective measures to overcome the divergence of opinion, perception and understanding with regard to the credit system are important, the core of the problems as described and perceived by students and faculty is more fundamental:

  Too many credits are required per program, with the value of exams in terms of credits being extremely low, resulting in a very large number of exams which students must take and pass.

For example, basic programs require an accumulation of 80 credits, yet each exam yields only two credits. Students explained that they find that their valuable studying/learning time is occupied in large part in preparation for the large number of required tests, leaving little time

for other possibly creative, enriching learning opportunities. This core problem lends itself to prompt action by the university and presumably need not be delayed. Such positive and quick response could go a long way toward sending another positive message—that the university leadership listens to the university community. We **recommend**, therefore, consideration of the following set of possible solutions:

- Replace the practice of mandatory multiple exams by instructors in each course with an approach that allows fewer, more comprehensive exams that encourage more breadth, continuity and variety in the learning experience.

- Offer and award separate and possibly enhanced credit for independent study, defined by the value of corresponding credit for particular or various assignments or student-designed initiatives.

- Develop comprehensive exams which cover several related core courses and which award credits separate from the course credit, resulting in more credits per exam and with greater student participation and reduced number of exams

Balance Sheet:

Positive: reduced number of exams; more objective assessment; encourages collaboration among/between teachers; allows single exam to be used for more than one course; awards credits for individual study; creates a focus on improved learning through improved/innovative teaching methods; improved collaboration between teachers and students toward success on exams; improved student morale and motivation; improved marketing of new and potential students (primary source of information about NBU from current and former students;) improved teacher and student working/teaching/learning.

Negative: possible impact on student and fee structure; possibility of an increased fee for more comprehensive exams; potential increase in workload for lecturers; reduced teaching time in favor of test development time (mitigated by awarding credits for individual study); challenge related to the development of new comprehensive exams (connected to the issue of innovative teaching methods, thus a potential plus.)

3. Student Evaluation of Teaching

The following comments represent the consensus views expressed in the group that examined this subject. It is understood that the

recommendations are acceptable to those involved in these discussions.

It became apparent that there are some misunderstandings about what is currently being done, and with what results, in the evaluation of teaching by students. Some are unaware that their recommendations are already being implemented, while others believe that changes are imminent when in fact they are not. This situation suggests a need for improved communication. Consequently, it is **recommended** that NBU renew the scheduling of regular open meetings (e.g., monthly), henceforth hosted by the rector and/or possibly vice-rectors, at which any member of the university community can ask questions, express concerns, and make suggestions about university operations, with program directors present. This form of interaction now occurs in some departments and should be encouraged to expand. Furthermore, it is suggested that occasional special open meetings be held to discuss particular projects currently under way at the university.

It is acknowledged that evaluation of teaching performance is different from evaluation of program quality, but they are dependent on each other to some extent and so some consideration of program appraisal is relevant to teaching evaluation. Consequently, it is **recommended** that NBU encourage current initiatives to survey former students and their employers regarding program quality. It seems advisable to incorporate some program-specific components into these surveys, to consult current students and teachers about their design, and inform them about the responses. Both questionnaire instruments and focus groups can be useful in this endeavor, supplemented with informal feedback opportunities that arise. To enhance program quality NBU should consider inviting some current and former students to join employer representatives and external experts in the design of new program curricula.

It is recognized that student evaluation of teaching must operate within a larger context, and that unless there is an overall structure of supporting arrangements, it cannot succeed. Consequently, it is **recommended** that NBU assign clear responsibility for teaching improvements to university officers at the appropriate administrative level. NBU's commitment to quality and innovation in teaching could be further strengthened by a variety of measures, such as:

- establishing an instructional resource center to provide information, consultation, demonstration, and instruction on effective teaching practices;
- involving representatives of students and other departments on selection committees for appointment of teachers, including a demonstration teaching session as part of the teacher selection process;

- designing a reward system that recognizes excellence in teaching by considering student evaluations, teaching portfolios, and other information about teaching performance in deciding on promotions, salary bonuses and other forms of compensation;
- increasing the proportion of optional courses in programs so that students' evaluations of teachers can be reflected somewhat in their choices of courses.

With the foregoing context established it is now appropriate to focus specifically on student evaluation of teaching, the development of which must evolve in a careful, comprehensive, and consultative manner. Consequently, it is **recommended** that, carefully and deliberately, NBU:

- widely announce the centrality of good teaching to the mission of this university;
- identify and define the elements of good teaching, both university-wide and program-specific;
- ensure in the recruitment of new teachers that they understand these elements, know they will be used in evaluating their performance, and are aware of the sources of help on campus for improving them;
- design a valid and reliable questionnaire by which students can evaluate their teachers in terms of these elements;
- provide the completed questionnaires to the responsible university officers and the individual teachers (after submission of final grades) including information on the individual's performance in relation to other colleagues (anonymous)—somewhat as indicated in the description from Canada of Carleton University's system provided to the group's moderator;
- specify the procedures for uses to be made of these results;
- urge teachers to invite classroom visits by peers for comment on their performance;
- encourage the practice of a teacher's periodically soliciting informal feedback from students about the instructional approaches being used; and
- include students in departmental discussions about new course proposals.

As noted in the background paper prepared in advance on this subject, the evaluation of teaching by students and the investigation of "ethical" complaints (or complaints of non-professional behavior) from students should not be treated in the same manner. The former should be a formative process while the latter must be a judicial procedure. Arrangements separate from evaluation of teaching need to be established for investigation of "ethical" complaints. Consequently, it is **recommended** that NBU establish an

ombudsperson position for an independent investigator to receive and investigate students' complaints, and advertise the existence and role of this agent. (The recent book available in Bulgaria on *Citizens and the Local Administration* argues that such ombudspersons can play a considerable role in the process of Bulgarian adaptation to the European standards of procedure.) Moreover, the visiting team encourages NBU to accelerate the current process of developing an ethical code (e.g., statements of appropriate teacher-student relationships) and consult about it as widely as possible.

Finally, the Visiting Advisors realize that the implementation of some of the above mentioned recommendations would require considerable resources, in terms of both staff time and funds, that may not be available. We, therefore, must leave it to the NBU leadership and its ingenuity to determine the priorities and the feasibility of these suggestions.

4. Financial Management: Tuition Fees and Remuneration of Employees

Relations between State and Non-Profit Educational Institutions

As a private, not-for-profit institution serving the public interest, NBU can function as an illustrative example of the relationship between the state authorities and the NGO sector. While in academic and operational matters NBU enjoys a considerable degree of latitude and non-interference, financial and fiscal issues can be constrained. A most recent example is the introduction of a 20 per cent VAT on certain budget items, most prominently on student tuition, which is causing serious concern to both NBU administrators and students.

One way of reacting to this unfavorable situation is to initiate a public discussion about the detrimental consequences of such fiscal regulations for the flourishing of a strong and sustainable NGO sector in Bulgaria, especially in the area of education and research. NBU could try to find partners and create a network of NGOs dealing with similar problems that jeopardize the development of an effective non-profit sector as part of a vibrant civil society within the country. By taking the lead in this discussion, NBU could also strengthen its reputation as an institution working for the public interest since the existence of a viable NGO sector is generally regarded to be a prerequisite for a functioning democracy, especially in countries which need to overcome an inflated state bureaucracy by assigning more power to buffer organizations.

Adopting a proactive stance on the VAT issue could also become an institutional learning experience. Students and faculty from the

departments of law and public administration could come together with administrative staff and members of the Board of Trustees to form a task force and prepare a thoroughly researched case study of the impact of the new regulation on the institution as a whole. This could become a very valuable exercise of problem-based learning, and at the same time it could reinforce institutional loyalty and commitment.

Diversification and Professionalization of Fund Raising

The Visiting Advisors were pleased to learn that the financial condition of NBU is currently sound. But at the same time they noted that NBU's income is predominantly generated from only one source, namely from tuition fees paid by the students. To ensure the long-term financial viability of the institution, it seems highly advisable to create ways and means of diversifying sources of revenue. NBU, as a private higher education institution, should increase its efforts to attract funds from new donors, notably from national and international charitable foundations that are drawn to supporting innovative educational enterprises. In the consultants' view, NBU qualifies as a very appealing partner for foundation support by virtue of its successful work over the past eight years. It is a truly entrepreneurial university with a clearly defined mission and dedicated staff; it has proven its stability in a very volatile social, economic and political environment. The experience of NBU in carving out a niche for itself and creating an alternative to the traditional state-sponsored mode of higher education can be seen—and should be supported—as a model not only for Bulgaria, but other countries under similar conditions as well.

Any sustained success in raising funds will require a proactive and professional approach on the part of NBU. It is, therefore, **recommended** that a fundraising unit consisting of two to three motivated individuals be established which would have the function of

- identifying possible sources of support from foundations and other agencies:
- developing a comprehensive 'marketing strategy' for NBU as a whole as well as for individual projects that are particularly alluring to potential donors;
- assisting the NBU leadership as well as the faculty in the preparation and submission of grant proposals.

Ideally, the staff of the fundraising unit would receive some practical training by doing an internship at a partner institution with a well functioning "Grants and Development Office" or at a major international foundation.

The Visiting Advisors identified several projects at NBU that could attract financial support from donors:

- innovative study programs as they are offered in the School of Basic Education as an example of a more general open approach to higher learning based on the specific needs and the culture of the region;
- innovative methods of teaching and learning (for example introducing problem-solving projects as a highly efficacious technique of knowledge acquisition or introducing state-of-the-art multimedia in NBU's distance education courses);
- research projects with an emphasis on fostering postgraduate students, thus creating opportunities for academic staff development and encouraging highly qualified junior staff to commit themselves to an academic career;
- organizing tailor-made training courses for the corporate sector on the basis of "educational contracts" with private companies;
- organizing additional international summer schools combined with a client-oriented cultural and/or leisure program to attract students from abroad to come to Bulgaria;
- establishing a Job Placement Center for NBU graduates by involving the business community and drawing on the expertise and the contact network of members of the Board of Trustees;
- providing students' grants especially to increase the internationalization of the NBU student population. NBU can obtain a good share of the market offering excellent education along with a very reasonable cost of living that is an incentive for students from Greece, Turkey or the Near East. A special scheme of grants for students from abroad would have the dual goal of a) internationalizing the student population at NBU and b) placing NBU on the map of the higher education market in the region.

Finally, prospects for financial support from the business community in Bulgaria should not be neglected. As a young and to a certain degree unique university, NBU should try to nurture contacts by establishing an alumni network and employing its graduates as envoys. The number of NBU graduates is still comparatively low and their self-image as a 'pioneering generation' still fresh. It seems obvious that NBU should utilize this loyalty to create meaningful links to national and international companies that employ NBU alumni.

5. Tuition Fees

With regard to tuition fees, NBU is facing questions that are ubiquitous in higher education institutions that charge their students for instruction:

Fees must be adjusted regularly—usually once a year—and this adjustment almost invariably means an increase. Like most other universities, NBU is not in a position to offer a multi-year contract to freshmen with a fixed tuition fee throughout the study period. Given the many heteronymous factors that impact the budget of the university, it would even be difficult for NBU to commit itself to a fixed rate (or

range) of tuition fee increases each year. It is understandable that this situation is unsatisfactory from the perspective of the students. To avoid rumors or misleading discussions with negative consequences for the reputation of NBU, we recommend a policy of open and unrestricted communication and information with regard to the fixing of tuition fees. Students and parents need to have a sound understanding as to how these fees are calculated and the reasons for their adjustment. By providing transparency, NBU can create trust and strengthen the credibility of the institution towards its foremost constituency— its students and their parents.

It is also a well-known phenomenon that the actual cost of study varies between different subject areas and that universities are trying to limit the range of tuition fees by cross-subsidizing departments and re-allocating revenues across their various units. This raises the question as to whether some students are paying a higher 'price' than others for the service the university is offering to them. While the demand for equity is legitimate, it should be noted that study programs not only have their price (calculated on the basis of the actual expenses of the university), but they also have their market value. Some degrees and qualifications (for example, law and business studies) are in high demand and thus promise a higher rate of return than others. As a means to ensure the sustainability of a broad range of study programs at NBU and to safeguard the overall development of the university, the practice of cross-subsidizing departments is justifiable.

However, it is in the best interest of NBU as a whole to exercise accountability and to explain the rationale of its tuition fee policy and cross-subsidization. One possible way to achieve this would be to constitute a Tuition Fee Round Table bringing together student representatives, the relevant members of the NBU leadership and management as well as members of the Board of Trustees. The Round Table discussion would provide an opportunity to explicate the financial framework and the prevailing conditions under which NBU is operating; to detail the reasons why certain decisions affecting the level of tuition fees were taken; and to raise concerns, criticisms or new suggestions and ideas with regard to tuition policy issues.

Remuneration and Incentives for Full-Time and Part -Time Lecturers

As has been mentioned before, the vast majority of teaching staff working at NBU is employed on the basis of one-year part-time contracts. Recognizing the drawbacks of this situation, the NBU leadership has set forth an ambitious program to increase the number of full-time academic staff. Obviously this will have some impact on the overall remuneration policy of the institution.

Thus far, the salary scale for teaching staff at NBU is characterized by a high degree of egalitarian precepts: there are only three salary

grades for academic staff, and within these grades payment is the same for all, with adjustment for the number of hours taught. The NBU leadership sees the need for a more differentiated approach to the remuneration issue and wants to elaborate a set of criteria for a merit-based assessment of individual performance, including the student evaluation of teaching. With regard to the latter, the Visiting Advisors would like to voice a word of caution. Experience in many countries shows that mingling the concern for an improved teaching and learning environment at the university with the issue of remuneration can have undesired or even counter-productive consequences. Negative incentives usually evoke an attitude of mistrust and reluctance to change. On the other hand, failure to offer special rewards for excellence may discourage the best faculty and staff. Furthermore, a new, comprehensive and performance-based, remuneration policy at NBU needs to be introduced and implemented university-wide at the same time for all staff. It would be detrimental to the coherence and the integrity of the institution if it operated under two different salary scales, one that is performance-based for newly contracted lecturers, the other according to the currently existing scheme.

- A more flexible method of negotiating teaching staff salaries will also be needed for NBU to remain competitive and to be able to hire the best specialists in the country. Already it is difficult to find lecturers for certain subject areas (in law or business administration, for example) because of the growing discrepancy of salaries between the private business sector and universities. But apart from—and maybe alternatively to—financial awards, NBU might consider other incentives to acknowledge outstanding performance of individual academic staff and at the same time, to strengthen the institution as a whole as, for example:

- creating a formula for calculating the “standard instruction unit” which rewards innovative methods and formats of instruction at the expense of the common practice of lecturing and monologues as the prevailing mode of knowledge transfer, thus emphasizing NBU's commitment to a student-centered approach to learning (e.g. problem-solving projects, tutorials for smaller groups of students, development of new learning materials, particularly multimedia applications);

- providing non-monetary rewards for research-active academic staff, in particular the reduction of the average teaching load for a fixed period of time to grant more time for conducting a research project; additional incentives along the same lines could be the provision of extra infrastructure (such as computers, books and journals, administrative staff, research assistants) and special arrangements for paid leave of absence in order to participate in international conferences or accept invitations for a research stay abroad;

- encouraging professionals from the private sector to join the academic staff of NBU by providing the opportunity to them to combine their professional practice with academic work.

All of these incentives will require some financial investment, but the rate of return for NBU would be considerable and would help develop its potential.

6. *Financing and Budgeting*

The background report that was provided to the Visiting Advisors prior to the meetings at NBU mentioned that the university experienced different stages of financial management of the overall institution, characterized by centralization, decentralization and cautious recentralization. Given the dynamic development of NBU during the initial years of its existence, these progressions seem understandable. On the other hand, they can lead to a certain degree of disorientation and can result in some discontent on the part of various groups of the organization as was evident during the discussions in the plenary sessions and in the working group.

The Visiting Advisors would not be prepared on the basis of the visit and information available to make well-founded recommendations with regard to the future direction of budget management. But the team again encountered the issue of the desirability of improved communication and information throughout the university. It might, therefore, be advisable to entrust a joint committee of members of the Board of Trustees and representatives of the staff to publish an annual report on budget performance as well as budget management and allocation.

From a more strategic point of view, it might be useful to consider the possibility of reorganizing the various entities of NBU (schools, departments, institutes) so that they become profit centers with regard to income, budgeting and expenditures. This would imply that all centrally driven innovation as well as the overhead for central administration will have to be financed by resources provided by the sub-units on the basis of a mutually agreed development plan. As a consequence, the emergence of an internal market for academic services will be encouraged, and the decentralized profit centers can decide for themselves the extent to which they would like to make use of these services. This model has proven to elicit a higher level of cost-consciousness within the organization, prevent uncontrolled expansion of service provisions and help curb overhead costs.

Conclusions

“Ne varietatem timeamus!: Don’t be afraid of diversity!” is the motto aptly chosen by the founders of NBU for their timely and courageous

undertaking. The Visiting Advisors found overwhelming evidence that NBU lives up to the spirit of this motto. The observations and suggestions made in this report are intended to assist NBU to develop its full potential along two main lines—transparency of procedure and improved communication. We are convinced that with well-directed steps taken in this direction, NBU will enhance its ability to manage diversity and combine ideas, talents and resources to effect purposeful common action.

Finally, this Visiting Advisors mission should be treated in a manner consistent with the observation throughout the report concerning the importance of open communication. Consequently, it is recommended that within the next year NBU publish and distribute this document as well as any reviews and reports documenting actions taken in response to it. Further, we recommend that NBU remain in contact with the Salzburg Seminar's Universities Project on these matters. Through such actions, it can be ensured that both the Salzburg Seminar and NBU will be (and will be seen to be) "practicing what they preach."

Visiting Advisors Team

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Dr. Brinckmann is former president of the University of Kassel. Prof. Dr. Brinckmann joined the University of Kassel in 1972 as a professor of public law and public administration. He has studied law (Ph.D., University of Bonn) and applied mathematics/communication engineering (Dipl. Ing., Technical University of Darmstadt). He combines these two subjects in the research field of computer science of law and administration. Prof. Dr. Brinckmann's scientific studies focus on the modernization of the public sector and on the changes of structures, processes and products in public services, administration and politics by means of new information and communication technologies.

Robin Farquhar Canada

Dr. Farquhar is professor of public administration and the former president (1989 to1996) of Carleton University, Canada. From 1981 to 1989, he served as the vice chancellor and president of the University of Winnipeg, Canada, and has chaired the Canadian Bureau for International Education. Dr. Farquhar is a former president of both the Canadian Society for the Study of Education and the Commonwealth Council for Educational Administration. Dr. Farquhar received a B.A. and an M.A. in English from the University of British Columbia and a Ph.D. in education administration from the University of Chicago. He is a member of the Universities Project Advisory Committee.

Jochen Fried Austria

Dr. Fried is director of the Universities Project of the Salzburg Seminar. Prior to joining the Salzburg Seminar in 1998, he worked as the head of programs at the Institute for Human Sciences in Vienna, and as a senior officer in the secretariat of the German Science Council in Cologne. After receiving his doctorate in German literature from Düsseldorf University in 1984, he was lecturer at Cambridge University and at the University of Ljubljana under the auspices of the German Academic Exchange Service. Dr. Fried serves as an expert for the Austrian Federal Ministry for Science and Transport, and is a member of the Editorial Board for the UNESCO-CEPES quarterly review "Higher Education in Europe."

Leonardo de la Garza USA

Dr. de la Garza is chancellor of the Tarrant County College District, Forth Worth, Texas. Previously, he was president of the Santa Fe Community College, Santa Fe, New Mexico and the El Paso County Community College District, El Paso, Texas. In addition to his duties as rector of the Tarrant County College District, Dr. de la Garza is adjunct professor of the University of North Texas Higher Education Program and the University of Texas at Austin's Community College Leadership Program. He is active in many professional and civic associations, including the Commission on International/Intercultural Services of the American Association of Community Colleges and the Chair Academy's International Advisory Board. Dr. de la Garza was educated at Bee County College, Beeville, Texas, Saint Edward's University, Austin, and at the University of Texas at Austrin, where he earned a Ph.D. in educational administration. He has conducted post-doctoral research in higher education management at Harvard University.

Dennis O'Brien USA

Dennis O'Brien is president emeritus of both the University of Rochester (1984-94) and Bucknell University (1976-84), and has held a variety of administrative positions at Middlebury College and Princeton University. In addition to his administrative duties, Dr. O'Brien has taught courses in philosophy at the University of Rochester, Bucknell University, Middlebury College, Princeton University, La Salle College, Rutgers University, and the University of Chicago. His research interests include Hegel, philosophy of history, theology, philosophy of art, history of higher education, modern art, and philosophy. Dr. O'Brien received his Ph.D. in philosophy from the University of Chicago. He is a member of the Board of Directors of the Salzburg Seminar.

THE UNIVERSITIES PROJECT OF THE SALZBURG SEMINAR

Universities throughout the world are undergoing systemic changes in their governance, academic design, structure, and mission. The Salzburg Seminar's Universities Project focuses on higher education reform in Central and East Europe, Russia, and the Newly Independent States as universities in these regions redefine their relationships with governments and try to become more integrated into the global intellectual community.

The Universities Project is a multi-year series of conferences and symposia convening senior representatives of higher education from the designated regions with their counterparts from North America and West Europe. Discussion in the Project's programs focuses on the following themes:

- University Administration and Finance
- Academic Structure and Governance within the University
- Meeting Students' Needs, and the Role of Students in Institutional Affairs
- Technology in Higher Education
- The University and Civil Society

OBJECTIVES

Universities and other institutions of higher learning are seeking to reshape themselves in ways that will prepare them more fully for the twenty-first century. Even as these institutions are considering extensive systemic changes in their academic design, structure, and mission, all desire autonomy in governance and in ther intellectual life. Accordingly, the Universities Project aims to promote the higher education reform process by inviting senior administrators to participate in conferences and symposia concerning issues of university management, administration, finance, and governance.

VISITING ADVISORS PROGRAM (VAP)

The Salzburg Seminar launched this enhanced aspect of the Universities Project in the autumn of 1998. Under this program, teams of university presidents and higher education experts visit universities in Central and East Europe and Russia at the host institutions' request to assist in the process of institutional self-assessment and change. By the end of 1999, thirteen VAP visits will have taken place, nine to universities in East and Central Europe, and four to Russian universities. A full schedule of visits is planned for 2000. The addition of the Visiting Advisors Program brings to the Universities Project an applied aspect and serves to enhance institutional and personal relationships begun in Salzburg.

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FOR MORE INFORMATION

For more information regarding the Salzburg Seminar's Visiting Advisors Program, the Universities Project, and Salzburg Seminar programs, please contact one of the Seminar's offices below.

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