

Towards more transparent higher education systems

(Institutional analysis of corruption in Slovak and Hungarian higher education)

László Szakadát, Corvinus University, Budapest, Hungary

Anetta Čaplánová, University of Economics, Bratislava, Slovakia

Non-technical summary

Corruption exists all over the world. In case of new EU member countries of Central and Eastern Europe it is perceived as one of key problems, although the extent of it varies among countries and the spheres of the economy, most frequently being attributed to various areas of the public sector, including education. Corruption represents a problem since it has important negative consequences on the efficiency, leads to distortions in the allocation of resources and has equity implications. Quantitative measurement of corruption is difficult due to its hidden character, similarly to e.g. tax evasion. There are two main possibilities to tackle this problem: the use of statistical data based on revealed cases of corruption; or the utilization of perception methods; both of them are being used to some extent in our study, in which we concentrate on the identification of those institutional aspects in higher education, which may open space for the utilization of corruption in this sector in Hungary and Slovakia and relate them to revealed cases of corruption in higher education systems and corruption perceptions of the sample of higher education students in both countries.

Recently, corruption has received an increasing attention of researchers and policy makers and there is a growing literature studying different aspects of corruption. We base our approach on the argument of Rose-Ackerman (1978), who analyzed corruption as a form of transaction equating the supply and demand for publicly provided services and concluded that corruption may be explained by the existence of discretion and the lack of competition in the public administration. She suggested that to limit it bureaucrats should not have near-monopoly authority over specific issues the public sector has to deal with and the law enforcement should be supplemented by policies, which would reduce benefits of engaging in corrupt behavior and encourage competition on the market. Similarly, Clarke and Xu (2002) showed that the lack of competition creates more room for bribery, and that the greater the capacity constraint, the more corruption may take place; private ownership, increased competition and the effort to reduce corruption at national level can contribute to limiting the corruption in individual sectors. We found these arguments relevant for our analysis of higher education systems in both countries.

Since the beginning of 90-ties higher education systems in Slovakia and Hungary have undergone substantial changes, which from the qualitative perspective can be linked to changes of political and economic systems in both countries and from the quantitative point of view have been accompanied by increased enrolments into higher education, increased number of higher education institutions and their faculties. In Slovakia the process of institutional diversification of higher education with respect to the development of institutions providing lower (bachelor) degree programs and to the ownership structure of higher education has progressed only slowly. In Hungary the increases in enrolments were accompanied by a larger

diversification of institutional structure of higher education, the establishment of new private and church universities and colleges and wider spread of new forms of study.

Looking at the regulation of the governance of public and state higher education institutions in Hungary and Slovakia from the perspective whether it allows for the utilization of corrupt (in a more broader sense non-transparent) practices we conclude that existing regulation allows for more competencies of the state with respect to overseeing state higher education institutions in Hungary than in Slovakia. Hungarian regulation also provides wider competencies and the influence to student bodies with respect to the monitoring and influencing academic life and curriculum at state higher education institutions than in case of Slovak public higher education. The Slovak law on higher education emphasizes the role of the rector in the institutional governance, on the other hand, in Hungarian legislation the role of institutional council is put forward. The emphasis on the collective decision making may add to the increased transparency of institutional governance. The regulation of private higher education institutions is found to be comparable in both countries.

Corruption can appear at different stages of life of a higher education institution. Most publicized cases in both countries have been related to revealed corruption at the stage of enrolment into higher education. Under existing regulation of enrolment procedures in both countries, encompassing entrance examinations in excess demand fields, corruption if existent can be expected to appear in the enrolment process. It may be related to e.g. questions used in enrolment exams not being kept confidential; all candidates not being equally informed on the content and form of entrance examinations; candidates being helped by persons participating in the conduct of entrance examinations; applicants, who were not accepted and appealed, being enrolled on later date without having met formal criteria.

The elimination of excess demand and capacity constraint may be a partial solution to the problem of corruption at this stage. Improved regulation and more efficient and enforced internal and external control mechanisms may add further to the solution. Lower excess demand, stricter regulation and more effective control mechanisms existing in case of Hungarian higher education provide, in our opinion, an explanation of smaller quantity of revealed cases of corruption in Hungarian higher education, lower perceptions of corruption and less experience with corruption revealed by our analysis of responses obtained from the survey carried out by the authors on the sample of 415 higher education students in high demand fields of study (economics and business) at Slovak and Hungarian higher education institutions.

Key words: higher education, corruption, Central Europe, institutional reform

June 2005