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ROADMAP FOR HIGHER EDUCATION

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EXECUTIVE SUMMARY

The current trend in higher education reform as well as the more than sixfold global increase in the number of students at this level during the past three decades have resulted in a rapid increase in the number of higher education institutions. In the case of Mongolia, 164,7 thousands students have been studying in 146 universities and institutions in 2009-2010. A number of the students who are studied in the universities has increased 1,9 times in the last 10 years. Such quantitative increase has resulted in problems regarding quality and mismatching of graduate profiles and national development requirements and direction.

The enactment of the Education Sector Development Master Plan 2006-2015 also made higher education reform imperative. The reform will undoubtedly serve as the driving force for various aspects of national development. It also provides academic resources necessary for developing and strengthening the community, the society and ultimately the nation as well as enhancement of competitiveness in the international arena.

The Government of Mongolia sought a comprehensive review of education sector legal environment including higher education. It certainly offers the Government ample room to make the adjustments leading to the fundamental reforms that are needed to higher education.

This document covers the issues related to current situation on Higher Education system on Mongolia indentifying it's advantages and disadvantages, opportunities and treaths, needs for higher education reform and it's principles and goals.

Four strategies for higher education reform in Mongolia were identified. These are:

1. Strategy for Policy Reform for higher Education
2. Strategy for System's Reform for Higher Education
3. Strategy for Technology Reform for Higher Education
4. Strategy for Financial Reform for Higher Education

The first strategy addresses to reform and amend a state policy and legislation on higher education of Mongolia. The second strategy aims to built a high quality, needs based and cost effective higher education system through restructuring of training programs, ensuring cooperation and integration of training, researching and practical work, reengineering of the processes of the universities and management and professional capacity building.

The third strategy is approach to reform a higher education technology through introducing advanced communication technologies,t eaching process reengineering and training program restructuring and the fourth strategy aims to improve effectiveness and efficiency of higher education system through supporting a different sources for financing and introducing a conditional public financing for higher education system and capacity building for State Education Fund in coordination and financial management

ONE. ANALYSIS OF CURRENT SITUATION ON HIGHER EDUCATION IN MONGOLIA

Education of the population has been a top social policy priority area of Mongolia. It's been legalized that 20 percent of GDP has to spend to education sector, but only 12 percent of GDP spent to education at the moment.

Despite of personal development goals, education sector has social and economic impacts. Social impacts are making a contribution to social development, ensuring basic human rights for education, giving an equal chance for everyone and building a capacity for national human resources. Economic impact is contributing to an economic growth of the country through educated people.

Human Development Report on Employment and Poverty, 2007 shows that almost 67 percent of herders' bank loans spend to cover tuition fees of their children for the universities, thus, higher education makes a contribution to the poverty of the households. There is a weak linkage between the products of higher education and needs of labor market of the country and knowledge and skills of the graduates from the universities are not met the requirements of employees

The most young people and their parents have a understanding that higher education influences on their future lives and careers in positive way. However a number of the graduates from the universities exceeds available for them workplaces in a labor market. Also the report indicates that there is a lack of the specialists for the workplaces that pay a high salary such as a mining, construction and food industry.

Up to 1990, education sector of Mongolia has been developed by a Soviet Model that is characterized by everybody has entitled for primary and secondary education free of charge and preparation of the specialists with higher education has been planned. After 1990, Mongolia has chosen a American Model for Education, some achievements were made in higher education. These are private universities and colleges have been established, created competition mechanisms among the universities for market entry, enrolling more students and getting a finance from state budget and a quality assurance for higher education has been introduced through accreditation and quality improvement program.

However, the studies show that there have been ongoing processes on shutdown and merging of private universities due to financial crises of the world and the country, lack of the leaderships of a top management team, market oriented mentality and financial capacity of the universities. This increasing financial needs of the universities have been covered by increasing number of enrolled students. Financial deficit of the universities results in a low quality of teaching and capacity for human resources.

The study on employment changes of the country by the sector shows that there has been increased industry in financial services by 147,1 percent, in construction industry by 140,6 percent, in hotel and restaurant service by 133,1 percent, and in mining industry by 125,3 percent but a processing industry has been decreased by 13.9 percent and social and personal services has been decreased by 21 percent in 2000-2006. In contrast, the most graduates from the universities are specialized in law, foreign languages, tourism, economics and teaching. The report on a Labor Force Survey conducted by National

Statistics Committee and ADB shows that 8,8 percent of the unemployed is people who have a higher education background.

Above mentioned problems with higher education in Mongolia create needs for higher education reform aimed to increase it's competitiveness in domestic and international educational markets in the era of information and knowledge based economy.

In order to reform of higher education, advantages and weaknesses, opportunities and threats for higher education were identified using SWOT analysis, current situation on higher education including a legal environment, financing mechanisms, human resources, organizational capacity, learning environment, laboratories for teaching and researching, political, economic, demographic and social environments for higher education was described. Also the goals, strategies and roadmap for higher education reform were identified and developed.

1.1. Advantages of Higher Education in Mongolia:

- Legal environment for Higher Education is existed in the country. There are a State policy on Education, Law on Higher Education, Law on Science and Technology, A Master Plan on Education Sector Development of Mongolia in 2006-2015, A Master Plan on Science and Technology of Mongolia in 2007-2015, Program on National Innovation Development of Mongolia and the Government Action Plan of Mongolia in 2008-2012
- ⊙ There is a enough number of the universities in the country. Private and public partnerships are developed as result of establishment of many private universities and public and private financing for higher education has introduced.
- ⊙ There is high market demands for higher education due to tendency for increasing interests of the youth and citizens to entry to the universities.
- ⊙ The universities of the country work relatively independ and Consortium for the Universities was formed,integrating management and organizational matters, as result, favorable conditions for coordination, information sharing and cooperation of the universities are created.
- ⊙ Evaluation and accreditation systems for higher education were in place and have been improved in the last years. There is an equal opportunity for the universities for public financing regardless of it's ownership types, if the university is accredited.
- ⊙ Improved learning environment of the universities and experience sharing with foreign universities in the best practices influence on ensuring and increasing of higher education

1.2. Weaknesses of higher education system of Mongolia:

- ⊙ There are difficulties with regulation of higher education system because the laws and policy documents on higher education can not regulate the system in proper way and need to be revised and made amendments.

- ⊙ It's been clear that investment cost of higher education is very low that is equal to 11 percent of the expenditures for education sector. Lack of financing for high technology leads to low quality and outcomes of higher education system.
- ⊙ There is no mechanism for Social Responsibility of Higher Education Institutions. Although a number of the graduates from the universities has been increased, the graduates face with difficulties in finding a work place and meeting with requirements of the workplaces set up by the employers.
- ⊙ Market researches on Higher Education have not been conducted yet and there is no Partnership mechanism with the employers, as result, there is a disbalance between demands for workplaces and supply of the specialists. However a number of the graduates from the universities exceeds the workplaces available for them in a labor market.
- ⊙ A student and teacher ratio is 25, this indicator is a higher to compare with other countries of the world. Enroll an excessive number of the students and lack of teaching human resources in the universities influences on a quality of the study.
- ⊙ Lack of learning laboratories and university hospital and no coordination and integration of researching, teaching and practical work influence negatively on a quality of teaching and researching and appropriate resource utilization.
- ⊙ There is a weak competitive capacity of the universities in terms of financing, human resources and other quality related indicators

1.3. Opportunities for Higher Education System of Mongolia:

- ⊙ Contribution of higher education system to country's social and economic development has been increased never been before in transition period from industry and service economy to a era of knowledge based economy and information technology.
- ⊙ Higher education reform goals is in Government Action Plan of Mongolia, This shows that there is a high political commitment for higher education reform.
- ⊙ Higher education reform has started with Government decision on Restructuring and Integration of Public Universities of Mongolia.
- ⊙ Financial and technical support of World Bank, Asian Development Bank and other international donors for higher education gives opportunity for higher education reform.
- ⊙ A Working group of the Parliament on Concept Development on Social Sector Reform has been set up. This kind of political commitment and initiatives of the Parliament gives an opportunity for higher education system legal reform.
- ⊙ According to the growth of the population, market for higher education has been increased. Creation of new industries and services in the market leads to give an opportunity for having additional market segments for higher education system.

- ⊙ The foreign relations of the universities have been expanded and bilateral cooperation with the universities of different countries gives an opportunity for experience sharing and studying the teachers abroad.

1.4. Threats for higher education of Mongolia:

- ⊙ Economic and financial crises of the world and Mongolia has a negative impact on a capacity of the students to pay tuition fees for their study and financial and economic capacity of the universities.
- ⊙ The universities established in the conditions of lacking in strategic vision, coordination and monitoring are reorganized and some of them with low financial and human resource capacity tend to abolish from the market of higher education.
- ⊙ There is a threat to higher education domestic market of the country by shrinking down due to globalization of higher education and increasing tendency for studying of the students abroad.

Two: Needs for Higher Education Reform and it's principles and goals

2.1. Needs for Higher Education Reform

There are needs for Higher Education Reform on the basis of the following reasons. These are:

- ⊙ Higher education system of Mongolia, considering it's importance of and contribution to country's social and economic development, must achieve and fulfill the goals for social and economic development through reducing it's weaknesses, using advantages and opportunities for reform and overcoming the threats above mentioned.
- ⊙ There is a need to increase a competitiveness of the universities of the country in domestic and international market because of changing a international tendency and globalization of education system development and transparency of information on the universities of the world.
- ⊙ Community expectation in Higher Education has been raising and changing. They want to get a quality and outcome oriented higher education. In this regard, there is a need for Socially Responsible Higher Education System in the county.
- ⊙ There is a need for labor market oriented, social and economic needs based, employer participatory and partnerships driven higher education system in the country.
- ⊙ There is a need for international standard higher education and research through financial and technology reform of the system.
- ⊙ There is a need for restructuring the universities in order to increase it's social and economic effectiveness and efficiency, integrate teaching, researching and practical work and improve a learning environment of higher education system.
- ⊙ There is a need for the universities to become a transparent, open, democratic and learning organization through management and governance reform.

2.2. Principles on Higher Education Reform in Mongolia

- ⊙ Develop Higher Education institutions relatively independent, as a business organization that transfers and produces a knowledge
- ⊙ A State involves in higher education development. This involvement includes setting up a state policy and legal environment for higher education system, determine market demand for and ensuring a quality of higher education, financing the students study and the universities, identify a human resource's and investment strategies and accountability mechanisms for higher education. .
- ⊙ Development of higher education system must be based on cooperation and integration of teaching, researching and practical work.
- ⊙ Development of higher education system must be based on partnerships and cooperation of public and private institutions and other stakeholders.
- ⊙ Higher education reform must be consistent with and address to implement a National Development Strategy of Mongolia, Government's Action Plan and as a part of human development.

2.3. Goals of Higher Education Reform in Mongolia:

Goals of Higher Education Reform in Mongolia is:

- ⊙ To build a national capacity for human resources through improving an accessibility, a quality and outcomes of higher education system of Mongolia in accordance with country's social and economic development and labor market demands

THREE. STRATEGIES FOR HIGHER EDUCATION REFORM:

In order to achieve the goals, the following strategies for higher education reform will be implemented:

5. Strategy for Policy Reform
6. Strategy for System's Reform
7. Strategy for Technology Reform
8. Strategy for Financial Reform

STRATEGY 1. STRATEGY FOR HIGHER EDUCATION POLICY REFORM

Objective of a Strategy for Higher Education Policy Reform is:

- To reform and amend a state policy and legislation on higher education of Mongolia

The following actions will be undertaken under this strategy:

- 1.1. Develop, approve and implement a Roadmap for Higher Education Reform of Mongolia
- 1.2. Review, make amendments in relevant laws and policy for higher education and approve these policy and legal documents

- 1.3. Develop, approve and implement Concept and Action Plan on University Campus of public universities
- 1.4. Develop, approve and implement A Competition Strategy for Higher Education Institutions in Mongolia in order to introduce fair competition practices in higher education system. The strategy regulates competition, cooperation and market entry of the institutions.
- 1.5. Develop, approve and implement A Memorandum of Understanding on Social Responsibility of higher education institutions. This document reflects responsibilities of MOECS and higher education institutions; state and organizational accountabilities for higher education. Build a national information data base on Social responsibilities of higher education institutions in order to be open and transparent for the public.
- 1.6. Develop, approve and implement A Memorandum of Understanding on Independency of Higher education institutions in order to ensure that the functions of the community of the universities in transferring and producing a knowledge, teaching and researching are independent without any pressures and interferences. Also internal decisions of the universities must be independent.
- 1.7. Develop, approve and implement a Strategy for Partnerships for Higher Education with participation of relevant stakeholders and institutions.

STRATEGY 2. STRATEGY FOR HIGHER EDUCATION SYSTEM'S REFORM

Objective of a Strategy for Higher Education System's Reform is:

- To build a high quality, needs based and cost effective higher education system through restructuring of training programs, ensuring cooperation and integration of training, researching and practical work, reengineering of the processes of the universities and management and professional capacity building
- 2.1. Develop, approve and implement Program on Total Quality Management for Higher Education System through setting up evaluation standards on human resource, training programs, learning environment, students enrollment and selection.
 - 2.2. Develop quality assurance indicators to accreditate higher education institutions, set up a specialized and independent accreditation body with participation of professional association, independent researchers and professors. Build a capacity of these specialized bodies for accreditation of higher education institutions. The accreditation must address to ensure an organizational development and improve a quality of training, learning and researching. Conduct a monitoring and evaluation on a quality of the institutions, a quality level could be one indicator for public financing of higher education institutions.
 - 2.3. Develop a Governance Reform Program
 - 2.4. Reform student enrollment practice on the basis of demographic statistics, labor market tendency, household income, purchasing capacity of the population, state policy on financing for higher education and balance on the students who study in national and foreign universities.

2.5. Conduct Student's enrollment needs assessment labor market research in every three years with participation of labor organizations and employees.

2.6. Support initiatives of private universities in cooperation, integration, merging and organizing of campus structure

STRATEGY 3. STRATEGY FOR HIGHER EDUCATION TECHNOLOGY REFORM

Objective of a strategy for higher education technology reform is:

- To reform a higher education technology through introducing a high communication technologies, teaching process reengineering and training program restructuring

3.1. Develop, approve and implement Program on Learning Environment Improvement of a University Campus and introduce a Digital library in University Campus

3.2. Develop, approve and implement Program on Capacity building for Human Resources on the basis of evaluation of current situation on capacity of teaching and researching human resources of the universities, assess needs for capacity building of them and develop standards in professional and teaching skills.

3.3. Develop, approve and implement Technology Renovation Program on Laboratories and Base Clinics. Evaluate current situation on the laboratories and base clinics nationwide.

3.4. Develop, approve and implement Program on Restructuring of Training Programs of the universities on the basis of evaluation on training programs and materials.

STRATEGY 4. STRATEGY FOR HIGHER EDUCATION FINANCING REFORM

Objective of a strategy for higher education financing reform is:

- Improve effectiveness and efficiency of higher education system through supporting a different sources for financing and introducing a conditional public financing for higher education system and capacity building for State Education Fund in coordination and financial management

4.1. Develop, approve and introduce A Ranking system for the universities based on quality assurance indicators and using data base on Evaluation systems on the institutions, training programs, learning environment, human resources, students achievement and number of the graduates who have jobs in labor market.

4.2. Introduce multi-sourced financing mechanism to high education system including state, private, local government, community and donor financing. Encourage a contribution of local government and community to higher education

4.3. Develop, approve and introduce a Conditional State Financing Mechanism for Higher educational institutions and students

FOUR. MONITORING AND EVALUATION ON HIGHER EDUCATION REFORM

4.1. Develop. Approve Monitoring and Evaluation indicators for higher education reform

4.2. Implement Monitoring and Evaluation on Higher Education Reform and revise Higher Education Reform Strategies

4.3. Conduct a Mid-Term Review Meeting on Higher Education Reform

FIVE. EXPECTED OUTCOMES OF HIGHER EDUCATION REFORM OF MONGOLIA

6.1. Ensure higher education institutions to work independently and market oriented as result of reform of a legal environment for higher education system

6.2. Increasing social and economic impacts and effectiveness of higher education system as result of structural reform of public and private institutions of higher education

6.3. Increase a competitiveness, social responsibility and accountability of higher education institutions

6.4. Increase a cost effectiveness of investment to higher education through introducing higher education financing reform and prioritizing higher education policy problems

6.5. Capacity of laboratories and teaching hospitals is built and functions of teaching, researching and practicing are integrated

6.6. Set up international standard on higher education system and improved learning environment through the implementation of quality assurance and technology reform programs

ATTACHMENT