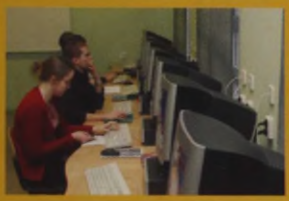
University of Tartu

Faculty of Economics and Business Administration

A self-evaluating look

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A self-evaluating look

TARTU 2004

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This book is based on the latest self-appraisal conducted by following commission:

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Introduction – Jüri Sepp
Chapter 1 – Toomas Haldma, Raul Eamets (1.3)
Chapter 2 – Helje Kaldaru
Chapter 3 – Tõnu Roolaht
Chapter 4 – Toomas Haldma
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DEAN'S INTRODUCTION

Dear Reader,

2003/2004 year brought to the Faculty of Economics and Business Administration (FEBA) again several new challenges. We had to go through accreditation of our new bachelor and master programs. For the first time our doctoral program was evaluated as well. This gives us hereby a chance to review our last years' development based on self-evaluation report, so that we could be convinced in the ability of the FEBA to manage and develop in the continuously changing environment.

The tuition in university is science-based. Only this way can provide our graduates with good academic preparation. It is important, not to rely only upon foreign textbooks, but to incorporate also teachers' own research results. Even better is to involve students to these research projects as well. Therefore, it is understandable, why the scientific work and all related issues are set as first priority in the University's Strategic Development Plan for the years 2000–2005. This aspect differentiates University of Tartu FEBA from numerous other business schools in Estonia.

Let us bring few examples of the results. The works of Professor Urmas Varblane on the role of foreign direct investments in transition process were last year acknowledged with the National Scientific Award in the field of social sciences. That was the first time an economist found such a high recognition in Estonia. This year, Associate Professor Raul Eamets, with his studies on labour market, was nominated as the only economist.

Our researchers have been very successful in applying on grants of Estonian Science Foundation in economics. Practically all chairs in the FEBA have their own government funded research projects. It should be mentioned that all grant applications a reviewed by experts. The implementation of three international research projects is still in progress. In this context, beside Urmas Varblane, the contribution of Professor Tiiu Paas has to be acknowledged. Our people are also successful in winning public tenders of applied research projects.

Like always, in addition to our achievements, we have also problems and areas for further growth. Despite the considerable increase in the financing of scientific and development projects (at the end of 90-s ca 96.000 euros (1.5 million EEK), now about 256.000 euros (4 million EEK)), in 2002, the figure per teacher or researcher remained as low as the half of University's average (5752 and 11.504 euros (90 000 and 180 000 EEK) accordingly).

Now I would like to comment on our tuition process. We started with the new curriculum in economics (3+2 years) in 2002. This program incorporates three years of bachelor studies and two years of master level studies. The first level of which could be passed as the full-time student or as the correspondence student in Open University program, (It will replace the current diploma studies).

Two older master programs (Master of Arts and Master of Business Administration) were in 2002 supplemented by the new Master of Economics program, which is currently included into Open University program. In 2003, yet another master curriculum of Entrepreneurship and Technology Management was introduced and in 2004/2005 the program of Executive MBA.

The state funding of our curricula is still depreciating. In 2003, only 52 bachelor students started their studies in state-funded places, while in the mid-90s this number was 165. The number

of privately funded student places exceeded the number state-funded places for the first time in the year 2001 and forms by now about 2/3.

Fortunately, the trends in postgraduate level have been different. When during 1990s the number of master level students was between 10 and 20 percent of the number of undergraduates, then in 2000 it was already 40 percent and in 2003 even more than 100 percent (54 and 52 state-funded places accordingly). This shift could be also perceived as a problem, but from the other viewpoint, it is the recognition of our position as the centre of economic research and research-based education.

Because of continuing interest in economic education, the correspondence study opportunities offered by Open University have been very successful. The number of correspondence students is getting close to 50% of the entire cohort. The total number of students by faculty has in last years been relatively stable by 1400–1500.

Similar tendencies are characteristic to the composition of graduates. In 2003 there were 179 (1999 year 164) graduates of the core program. In the same year altogether 64 students completed master studies, among them 14 scientific masters, 40 professional masters, and 10 new Master in Economics graduates (professional degree). Third year in the row, the doctoral program rendered graduates as well. According to present curricula doctoral thesis has been defended in front of the Faculty Board by Maaja Vadi, Raul Eamets, Kaia Philips, Tõnu Roolaht and Tiia Vissak, who continue their work at the Faculty. In Estonian Agricultural University the doctoral thesis was defended by Uno Silberg.

It is also pleasure to say, that in 2003 two new professors were appointed — Maaja Vadi in Management and Toomas Haldma in Accounting.

The position of FEBA in the University of Tartu could be evaluated by the share of students and employees. In 2002 about 8.5% of all students studied in our faculty, whereas the share of Faculty's academic staff among the entire staff of the University of Tartu is only 4.7%. The number of students per teacher (in the Faculty 41.4 and in the University 22.7) and the number of credit points issued per teacher or researcher (872.9 and 390.1 accordingly) allow us to quantitatively estimate the intensity of teaching. Thus, the workload of our teaching staff is relatively high. This is also reflected in the level of income per employee, which is 30% above the average of all faculties.

In that background, the achieved difference in average wage (In 2003 accordingly 914 euros (14300 EEK) and 650 euros (10200 EEK)), could not be viewed as unjustified. This effort means that our teaching staff has to frequently work on weekends in Open University, travel to the colleges in Narva and Pärnu and other forms of study not common in traditional university.

Because of this, we have to hope that rhetoric of assigning political value on education will be followed by subsequent actions. At the same time, we have to continue directing our efforts into the fields, where available human resource and its intellectual potential would bring maximum benefits. In this regard, I consider the scientific and development activities in international networks and the cooperation with Estonian private and public sector especially important.

The Dean of the Faculty,

Jüri Sepp

1. THE UNIVERSITY OF TARTU AND THE FEBA

1.1. A brief history of the University of Tartu

In Estonia, the system of higher education is run by the Ministry of Education and Research. General requirements for this level of education are set by the Standard of Higher Education (1996). The provision of it is regulated by several laws (the Universities Act, the Private Schools Act, etc.).

The University of Tartu (UT) is a legal person following in its daily operations the provisions contained in The University of Tartu Act, The Universities Act, the University of Tartu Statutes, and in other legislative documents. The University of Tartu is the oldest and most renowned university in Estonia and an educational institution of time-honoured traditions.

On 30 June 1632, King Gustav II Adolph of Sweden signed the Foundation Decree of *Academia Dorpatensis*, which marks the beginning of our university's distinguished history. The following stages can be observed in the history of the University of Tartu.

1632–1710 ***Academia Dorpatensis***
Tartu University in the period of Swedish rule
* *Academia Gustaviana 1632–1665*
* *Academia Gustavo-Carolina 1690–1710*

The Academy in Tartu comprised the faculties of philosophy, law, theology and medicine.

1802–1918 ***Kaiserliche Universität zu Dorpat***
The Imperial University of Tartu
** Imperatorskij Jur'evskij Universitet 1893–1918*

In April 1802 the University was reopened in Tartu as a Baltic provincial university. The foundation act, signed by Tsar Alexander I in December 1802, gave the university the legal status of a Russian state university with German as the language of instruction. Between 1820 and 1890 the University developed vigorously. The years 1855–1880 were generally considered to be an inward-looking era of academic life, but the graduates, on the contrary, considered it to be a second renaissance.

At the University of Tartu have studied and taught Moritz Hermann Jacobi, the inventor of galvanoplastics, Karl Ernst von Baer, the founder of the theory of evolution and contemporary embryology, Wilhelm Ostwald, the founder of physical chemistry and the discoverer of salt effects, Alexander Schmidt, the founder of the fermentation theory of blood coagulation and blood transfusion principles, and many other scholars.

1919–1940 Tartu University in the Republic of Estonia

In December 1919 the University opened as Tartu University of the Republic of Estonia with Estonian as its language of instruction. The university laid the basis for the development of and research into Estonian national culture.

1940–1941 Tartu State University

In the first Soviet-time academic year, 1940/1941, the students' fraternities and academic societies were closed down, and scientific contacts with Western European universities and centres of research were discontinued. The curricula of Tartu University were supplanted by the uniform Soviet ones: a course system was adopted, obligatory political subjects based on the new Marxist-Leninist ideology, including the history of the USSR, were introduced. The student body and teaching staff of the University of Tartu suffered repressions and deportation.

1942–1944 Tartu University of the Estonian Self-Government under Nazi German rule (*Ostland-Universität in Dorpat*)

Ostland-Univesität in Dorpat with German as the planned language of instruction, opened by the German military occupation Government, was intended to cater for the whole Baltic region. In keeping with the needs of the time, the university was opened as Tartu University of the Estonian Self-Government. The language of instruction was Estonian and the 1938 University Act regulated the academic procedures. During the war, the faculties of medicine, veterinary medicine and agriculture enjoyed the priority status. In the course of World War II, the University lost 22 buildings, as well as a considerable part of its property, accommodation of its academic and administrative staff, and libraries.

1944–1989 Tartu State University

In the autumn of 1944, the structural reforms that had been interrupted in the summer of 1941 were recommenced. The university was subordinated to the People's Education Commissariat of the Estonian SSR (ministry from 1946 on) and later, in 1946, to the Ministry of Higher Education of the Soviet Union. The political cataclysms and repressions of 1949 and the early 1950s did not leave the university unaffected. However, notwithstanding the hard times, in the 1960s, the majority of the professors at Tartu State University belonged to the generation that had studied at Tartu University of the independent Republic of Estonia and were thus able to carry on its deep-rooted traditions of high-quality study and scientific research.

Since 1989 University of Tartu

The mentality and positive attitudes of the students, academic staff and researchers of the Estonian national university have helped to retain its unique atmosphere and restore Tartu University as it used to operate in the independent Republic of

Estonia. During the period 1989–1992 major structural changes were effected, and the former outline of academic studies as well as old traditions resumed.

Since independence was regained in 1991, the main aim of the University has been to reorganise teaching and research so as to reach the standards of other European universities in all fields of study. The University of Tartu was one of the first in Eastern Europe to bring into operation the 65 years age limit for the academic staff. The mission of the UT is formulated in its plan of development adopted by the University Council on 26 June 1999. The new strategic plan for 2004–2008 was adopted in December 2003. The UT, the only classical *universitas* in the country, strives to offer research-based degree programmes, while retaining its links with society and contributing towards solving the problems faced by the Republic of Estonia.

The University comprises academic, administrative and support structures. Its set-up as of 31 December 2002 is given in Appendix 1.1.

The academic structure of the University consists of faculties and their sub-units. Today there are eleven faculties at the UT: those of theology, medicine, biology and geography, philosophy, physics and chemistry, exercise and sports sciences, economics and business administration, mathematics, education, social sciences, and law. The constituent parts of a faculty are departments, institutes, or other structural units in accordance with the statutes of the faculty. At the head of a faculty is its dean, while the highest decision-making body is the Faculty Council. The teaching staffs of the university involve 820 persons, among them 115 full-time professors, 208 associate professors, 490 lecturers and assistants.

As stipulated by the University of Tartu Act, the university provides programmes at bachelor's, master's and doctoral degree levels, and also applied higher education (diploma

studies that existed in old 4+2 curricula). In autumn 2002, the university switched to the new 3 years (bachelor) plus 2 years (master) study system and underwent a curricular reform. This change was based on the 1999 Bologna Declaration signed by the European Ministers of Education with the aim of creating a unified European higher education area and providing better conditions for student mobility. The doctoral study programmes normally take four years. In 1996, the Open University was created, which offers part-time graduate study programmes as well as single courses and modules.

In the academic year (2003/2004), 17,414 students are enrolled at the University of Tartu, among them 4606 at the Open University. The overwhelming majority (12,326) is engaged in bachelor's degree programmes (in addition to this, 904 students are taking diploma courses and 392 go to the University's colleges of applied higher education). There are 2375 students in masters and 819 in doctoral degree programmes. As a rule, students study full-time. About 98% of them come from Estonia however; there are also 380 international students from 30 countries.

1.2. A brief overview of the Faculty of Economics and Business Administration

The University of Tartu has long traditions of teaching economics, dating back to the times of *Academia Gustaviana*: since 1676 a professor of history, besides political and administrative issues, had to lecture on economics as well, while the task of a professor of mathematics was also to teach accounting.[1] First chairs of economics were founded when the University

[1] A detailed history of the Faculty of Economics and Business Administration can be found in the book "Tartu Ülikooli majandusteaduskonna minevikust ja tänapäevast" (Tartu, 2000), written by Professor *emeritus* Valner Krinal.

reopened: the Chair of Statistics and Geography in 1802 and the Chair of Finance and Trade in 1803. In 1920 an independent sub-unit – the Department of Trade was founded in the Faculty of Law. The independent Faculty of Economics commenced work on 1 January 1938.

In the post-war Soviet Union the idea prevailed that administration of the economy means mere technical work, in the course of which the Party's strategic directives are implemented. This ideology damaged academic economic education and research seriously. Closing of the Faculty of Economics after the war had an adverse impact on the furtherance of economic studies at the University of Tartu, stifling the potential positive effects that would otherwise have arisen from a continuous process. Teaching economics was re-established only in 1954, and even then on a very small scale and in conjunction with the Faculty of Law. However, in the second half of the 60s, despite this extremely unfavourable starting position, the Faculty still managed to provide higher academic education and develop research at the level required of a university. All the opportunities available at that time were made use of. Together with introducing the concentration in economic cybernetics (mathematical economics) in 1967, a curriculum was adopted that corresponded in its orientation and content to the requirements characteristically set to economic education provided by classical universities. In 1968 the independent Faculty of Economics was re-established.

Soon, as the political and economic situation changed. In the second half of the 80s, the need to reform economic education and research became evident. In 1987 the staff started updating the content of disciplines taught and revising the curricula. Anticipating new prospects for the development of more open Estonian economy, two years later, the Faculty introduced major in international economics. The new content and form of the studies was the first result that involved the whole Faculty in revising the curriculum and adjusting it to the new require-

ments. The students admitted in 1991 on the bachelor's, masters and doctoral study programmes already started their studies on the basis of the new, revised curricula.

Different international programmes substantially supported the transformation process. The most comprehensive of them was the university development programme in business management conducted by Bentley College (Massachusetts, U.S.) and funded by the U.S. Information Agency (USIA). This programme served as an initial contribution to the curriculum and research agenda redesign at the Faculty, and staff development workshops, which resulted in drawing up the FEBA's strategic plan and purchase of computing hard- and software to increase the training capability of faculty members. In 1991–1996 more than a half of today's academic staff underwent retraining at Bentley College.

By the beginning of 1992, based on the results of several years of discussions, a scheme for majoring at the higher stage of bachelor's programme had been developed. Accordingly, preparation work (preparing study materials in the pertaining subjects) of particular areas of specialisation (special subjects) started and in September 1993 the actual implementation of the higher stage of the bachelor's degree curriculum began. The University of Tartu is the only university in Estonia whose curricula provided an opportunity to major in two narrower subject areas in Economics.

Along with the revised curricula, the Faculty of Economics introduced a new system of degree studies, involving masters and doctoral programmes. Here too, from the outset the aim has been the treatment of both macroeconomic and microeconomic matters within one economic subject area, enabling the students to major either in economics or business administration. At first only master's and doctoral degrees in economics were awarded, using, as stipulated by the 1994 University of Tartu Statutes of Scientific Degrees their respective Latin names: *magister atrium* (MA) and *doctor philosophiae* (PhD).

From 1995 on, undergraduate programmes too lead to a degree — that *of baccalaureus atrium* (BA).

Another curricular change took place in 1995. It became evident in 1994 that the subjects of economics (as opposed to business administration) were not sufficiently popular within the unified subject area Economics. Because this situation endangered the development of economics, the Faculty decided to adopt the classical German model. Since the autumn of 1995 there has been separate admission to two fields of study in the bachelor's programme, based on the curricula of economics and on the curricula of business administration. In the same year, diploma and master's programmes in business administration with an applied orientation were added to the curricula of the Faculty of Economics and Business Administration.

The turn of the century brought new trends into Estonian tertiary education. In the year 2000, Estonia decided to switch to the 3+2 model of tertiary education, the first, three-year stage of which provides professional qualifications, the second, two-year stage leads to master's, and PhD is the only postgraduate degree.

In September 2001 the new curriculum of the Faculty of Economics and Business Administration was completed, being the first of its kind to be endorsed by the Academic Council of the University. Starting from 2002, the Faculty is running a baccalaureate programme in social sciences (economics), yielding 120 credits (three nominal years of study). A large majority of the students, having completed the baccalaureate programme, are likely to continue on a two-year master's programme (80 credits). According to EU agreements, this five-year two-tier model is considered to be the most practicable in the present conditions.

The Faculty Board of Governors - From left to right – Assoc. Prof. Raul Eamets (Vice Dean for Research), Prof. of Econometrics Tiiu Paas, Prof. of Money and Banking Mart Sõrg, Assoc. Prof. Helje Kaldaru (Vice Dean for Academic Affairs), Ene Kivisik (Head of Dean's Office), Prof. of Economic Policy Jüri Sepp (Dean of the Faculty), Prof. of International Business Urmas Varblane, Assoc. Prof. of Statistics Kaia Philips, Prof. of Accounting Toomas Haldma

The curriculum of the Faculty of Economics and Business Administration (FEBA) of the University of Tartu comprises the following programmes:

- Diploma Programme in Business Administration (code 5343914)
- Baccalaureate Programme in Economics and Business Administration (code 6301216)
- Baccalaureate Programme in Economics (code 6345210)
- Baccalaureate Programme in Business Administration (code 6343909)
- Master of Business Administration Programme (code 7343914)
- Master of Art (MA) Programme in Economics (code 7301200)
- Master Programme in Economics and Business Administration (code 7301216)
- Master Programme in Entrepreneurship and Technology Management (code 7343985)
- PhD Programme in Economics (code 8301200).

The strategic targets of the FEBA are formulated in the faculty's plan of development for 2000–2005 endorsed by the University Council in June 1999.The main principles of operation of the FEBA are set up by the Statutes of the FEBA.

The highest governing body in the Faculty is the Council of the Faculty. The members of the Council are *ex officio* the Dean, vice-deans, heads of institutes, and the chief of staff of the dean's office. The rest are the nine members elected by full-time teaching and research staff of the Faculty, and the five representatives elected by the students. The dean chairs the Council. The representatives of the teaching and research staff are elected for two years, while those of the students are elected for one academic year.

The Board of the FEBA serves as an advisory body. The Board involves the Dean, vice-deans, heads of institutes, chief of staff of the dean's office, and other individuals appointed by the Dean. The Board of Governance takes decisions that the Dean can proceed from when giving his/her orders and the Faculty Council can rely upon in making its decisions.

On 1 September 2003 the FEBA had following subdivisions:

INSTITUTE OF ECONOMICS:

- Chair of Economic Theory,
- Chair of Economic Policy,
- Chair of International Economics,
- Chair of Statistics,
- Chair of Econometrics.

INSTITUTE OF FINANCE AND ACCOUNTING:

- Chair of Money and Banking,
- Chair of Corporate Finance and Investments,
- Chair of Accounting.

INSTITUTE OF MANAGEMENT AND MARKETING:

- Chair of Marketing,
- Chair of Management,
- Chair of International Business,
- Division of Operation Management and Business Information Systems.

The fact that the substructures of all three institutes are involved in the tuition at all levels and on all programmes, indicates that there is a close relationship between academic (bachelor's, master's and doctoral) studies and applied higher education (diploma studies and the MBA) at the FEBA. 42 persons form the teaching staff of the FEBA, including 10 full-time professors, 12 associate professors, 20 lecturers and assistants.

In 2003/2004, the FEBA has 1,440 enrolments, 699 from them at the Open University. The majority of the students (729) are studying on bachelor's programmes (in addition to this, 215

students on diploma programmes). There are also 415 master and 52 doctoral students (see also Appendix 1.2.).

1.3. The mission and educational policy of the FEBA

The Faculty of Economics and Business Administration (FEBA) of the University of Tartu, as part of the only classical university in Estonia, have favourable opportunities to offer academic economic education.

At the same time, in addition to high-level teaching and research, its duty is to offer various services to the Estonian society. This has prompted the development of curricula for business administration with an applied orientation, and in-service training courses. In addition to full-time study, distance-learning opportunities are available.

The subjects taught by the teaching staff of the FEBA are also included in the curricula of other faculties. Besides, it is possible for students of other faculties to choose economics as a minor subject. This way the FEBA contributes to the education of students from other faculties in accordance with the principles of *universitas*.

The following aspects determine the position of the FEBA in economic education and economics:

The University of Tartu is the only ***universitas*** in Estonia; therefore the content, organisation and orientation of studies at the Faculty of Economics and Business Administration have to conform to the standards of a classical university.

The FEBA has to meet the requirements of **the Estonian society**; especially of its economy, and to train specialists who have state-of-the-art education in economics, and can do research on a variety of economic issues.

Owing to its small size, the Estonian economy is extensively integrated into the world economy and the FEBA has to

conform to **internationally acceptable** requirements set to economic education and research.

A. Primary tasks of the FEBA of the University of Tartu as a **classical university** are to:

- provide the students of the FEBA with academic (universal and general) economic education in order to prepare competent specialists who perceive and understand socio-economic relationships, global connections and tasks of the economy;
- develop research aimed at perception, explanation and solution of fundamental issues of the economy;
- develop post-graduate courses and prepare the would-be staff for Estonian research and educational institutions, as well as to ensure new generations of academics for staffing the FEBA itself;
- provide sufficient economic education to students of other faculties of the UT to guarantee that the people holding leading positions in society can understand the chief regularities of functioning and development of economy.

For the performance of the above tasks the Faculty:

- considers both economics and business, and issues related to them, equally important subjects of research and study;
- carries out research at an internationally acceptable level, thus creating the conditions for academic research-based education;
- lays main stress on comprehensive theoretical education and on the development of economic thinking in order to mould members of society who have a broad outlook on life and are able to cope in the dynamic, fast-changing environment. It will be relatively easy for specialists with a solid theoretical and general methodological basis to acquire the skills and experience necessary to perform particular work duties;

- continues systematic tuition of students from other faculties, offering both subjects within particular curricula and options to be selected as a minor;
- encourages active and creative participation of students in the tuition process and other areas of activity of the University;
- promotes interdisciplinary co-operation with the other faculties of the University to provide better opportunities for students of the Faculty to make their education more universal. This constitutes one of the strategic advantages of the FEBA in comparison with other institutions of higher economic education.

B. In view of the requirements of the **Estonian economy and the whole society,** the Faculty shall develop:

- specialisations (majors) in accordance with the strategic needs of the economy of the Republic of Estonia and the actual demand for economists, balancing the demands of the labour market and the career interests of young people;
- fields of research to study fundamental economic issues and develop strategic solutions in accordance with the demands of the Republic of Estonia;
- a system of study programmes where a curriculum leading to applied education has an equal position with the one leading to an academic degree;
- a system of in-service training and counselling in the field of economic education.

For the performance of the above duties, the FEBA develops:

- its staff, bearing in mind the strategic needs for economic education and research, constantly encouraging its undergraduates, master and doctoral students to study topical economic issues, and retraining the teaching staff in line with the changed requirements;

- contacts with state agencies, organisations and enterprises to be constantly informed of the current needs and trends of development and to advance mutually useful co-operation in order to meet those needs;
- international co-operation to get outside assistance in case we lack own specialists;
- co-operation with the alumni.

C. In order that its economic education would meet the requirements set by the world economy and to guarantee an internationally acceptable level of economic education, the Faculty shall:

- develop its curricula and subjects so that the content of the economic education offered would conform to international standards and would take into account the latest achievements in economics;
- provide students with necessary knowledge of the world economy and the more important aspects of international economic relations, so that the graduates would be competent both in Estonia and at the international level;
- conduct research into and find solutions to problems which are topical in Estonia, but also to address issues linked to the world economy and international economic relations.

To perform the above duties, the FEBA will:

- offer to Estonian students lectures by visiting professors and to international students opportunities to learn about the economic issues of Estonia;
- participate in international research projects;
- organise international co-operation of both undergraduate and graduate students and the teaching staff;
- promote PhD studies abroad, providing financial support to PhD students.

Due to the adoption of a new strategic development plan by the University of Tartu in December 2003, the FEBA intends to revise its trends in 2004, harmonising them with those of the University, and thereafter adopt a new plan of development in 2005.

1.4. Organisation of self-analysis

The Faculty of Economics and Business Administration has always considered self-appraisal to be an important tool, which enables it to respond flexibly and promptly to the demands of society and to the opportunities offered, taking into account the available resources and effects of the external environment.

Due to the 1988–1991 reforms, the FEBA underwent the first thorough and complex self-appraisal. It resulted in the reorganisation of tuition, in line with the changed social situation, and in the introduction of new updated curricula and the structure of study process.

The second stage of self-appraisal was carried out in the years 1992–1993 when a strategic development plan of the FEBA and its subdivisions (institutes and chairs) was prepared in cooperation with foreign experts.

In 1994, a follow-up analysis was made, in the course of which a published version of the strategic development plan was prepared.[2] The Faculty's third self-appraisal was conducted in 1996 in connection with accreditation of the curricula.

In 2000, the Faculty prepared two different self-appraisal reports: one on the Master's Programme in Business Administration (MBA) and the other on research activities.

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[2] Strategic Plan of the Faculty of Economics and Business Administration, University of Tartu, Tartu, 1994, 222 p (in Estonian)

In addition to these reports, a self-appraisal involving the whole Faculty is an integral part of annual report and budget preparation process. The Faculty has established a comprehensive academic performance measurement system, recording the teaching load and publications of the academic staff. Following detailed guidelines, once a year an academic performance report is prepared; on the basis of this document money for tuition is distributed between the institutes, and the salaries of the staff are scaled.

For the sake of feedback, once a semester different aspects of the professors' work are analysed on the basis of information obtained from students' evaluation questionnaires. At different times, self-appraisal has varied in scope and significance. For example, when the transition period started, the whole active staff of the Faculty participated in it to a smaller or larger degree. Recently, it has been the concern of a special task commission nominated by the Dean.

1.5. The Faculty at the glance

Full Name: Faculty of Economics and Business Administration of the University of Tartu

Number of students in December, 2003:

- Bachelors level: 729
- Masters level: 415
- Doctoral level: 52
- Diploma studies: 215

Area of the Faculty building: 3915 m²

Number of teaching and research staff in December, 2003:

Full-time: 35

Part-time: 8

Number of Institutes: 3

Number of Chairs: 13

Number of study-programmes offered:

- Bachelor's level: 3
- Master's level: 4
- Doctoral level: 1
- Diploma studies: 1

Annual number of graduates:
(*average number for the last 3 years*)

- Bachelor's level: 138
- Master's level: 31
- Doctoral level: 1,3
- Diploma studies: 51

2. THE MAIN PROGRAMMES AT THE FEBA

2.1. Indicators and normative documents

2.1.1. Curricula related indicators and documents

At the University of Tartu curriculum design has to follow the rules laid down by several normative documents. Firstly, the curricula must comply with the requirements laid down by the Standard of Higher Education (below referred to as Standard) adopted by the Government of Estonia on the 13 August 2002 (decree No 258); secondly, they must be in keeping with the Regulations of the University Study Process (below Regulations) endorsed by the University Council on 30 April 2003 (decision No 4); thirdly, they must conform to the Curricula Statutes passed by the University of Tartu Council on 22 February 2002 (decision No 3) (below referred to as Statutes). The Doctoral programmes also proceed from the Statutes of Academic Degrees of the University of Tartu adopted on 29 January 1999.

The Statutes specify the rules of procedure for curriculum design and adoption. This document says that curricula are first passed by faculty councils, then discussed and harmonised by the Studies Commission of the University Council, and finally passed by the University Council. Faculty councils can make improvements not exceeding 33% of a curriculum. The information about adoption of a particular curriculum and changes made to it is given on its title page (see Appendixes 2.1–2.3).

The subjects taught at the Faculty of Economics belong in the area of social studies. For the quantitative indicators of the curricula involved see Table 2.1. The vice-dean is responsible

for design a new curriculum, the dean of the Faculty forms a task-commission. The Faculty Board and Council discuss all the proposals and suggestions. The views of potential employers are considered as well. The chief partners of the FEBA have hitherto been the Estonian Chamber of Commerce and Industry, and the Bank of Estonia.

Table 2.1. Quantitative Characteristics of the Curricula.

Level of study	**Under-graduate**	**Master's**	**Doctoral**
Nominal length of programme (years)	3	2	4
Total credits required[3]	120	80	160
Registration number	6301216	7301216	8301200
Qualification on graduation	Bachelor of social sciences (in economics and business administration)	Master in economics and business administration[4]	PhD (economics)
Total of compulsory subjects	12 / 27 / 34*	8/24*	7
Research papers (%) **	5	25	75
Total of examinations	40	24	12

* Baccalaureate programmes contain 12 subjects compulsory for all attendees, 27 subjects being compulsory if one directional or specialisation module is selected from some other curriculum, and 34 subjects being compulsory if both directional and specialisation modules are chosen from the same curriculum. Depending on the modules options, the number of compulsory subjects is liable to vary for the last two cases. In master's programmes, 8 subjects are compulsory for those who take the one-year programme, while 24 subjects are compulsory for those covering the programme within two years.

** Individual research projects and graduation papers.

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[3] In Estonia 1 credit equals 40 hours of work (= 1 study week). 1 academic year equals 40 credits, therefore 1 Estonian credit = 1.5 ECTS credits.

[4] In view of the forthcoming harmonisation of degree titles, the Ministry of Higher Education and Research has suggested that the name *master of arts* (*economics and business administration*) be adopted instead.

2.1.2. Quantitative indicators, normative documents and information channels of study process

The study process at the University of Tartu is organised proceeding from the Regulations of the study process. According to its section II.1.4, it is possible to choose between full-time, correspondence/distance learning and part-time courses or study as an external student. The requirements set for the results and the diploma/certificate given upon graduation does not depend on which form of study was attended.

In case of the curricula viewed herein, the bachelor's level courses are both full-time and correspondence, while the master's level courses are only available by correspondence and the doctoral level courses by full-time study. All the students are enrolled as full-time students (each nominal year presumes gaining a minimum of 30 credits). In general it is possible to go over to part-time study or to finish studies as external student (except in new PhD programme).

Apart from the forms of study, the above Regulations lay down the rules for the timetable, registration for courses and examinations, testing and assessment, and evaluation of the quality of teaching and courses. Course descriptions, class times for each semester and timetables are available electronically. The electronic information system is also used for registration on courses, keeping record of the students' results and progress. The curricula, guidelines, study materials and current information are made available to students at the indicated sites which may be those of either the FEBA homepage, or of the respective Chair, course or person running the course. There are also several mailing lists for the delivery of current news.

The academic year is divided into two semesters, each of 20 weeks duration. At the University of Tartu the autumn semester starts on the Monday nearest to 1 September, and the spring semester on the second Monday in February. The semesters end on 31 January and 31 August, respectively. The

beginning and end dates of semesters are fixed for each year in the academic calendar.

The organisation of studies depends on their form. In full-time study, where classroom study takes up about 50% of total study time, greater emphasis is on lectures and seminars. Practices are mostly used for class tests in the FEBA. Interim tests, essays, and participation in seminars have proved to be efficient mechanisms for facilitating permanent learning.

Correspondence/distance learning courses are organised by the Open University. Contact hours make up fewer than 25%, in actual fact 20% of time. Main emphasis is on individual learning; classroom work is arranged in the form of regular short examination periods. The FEBA provides all the learners with either electronic or hardcopy course materials, many courses are WebCT based. The quantitative indicators of the study process are shown in Table 2.2.

2.3. Indicators, documents, and advising of students

The University of Tartu Admission Regulations indicate the documents to be submitted, the deadline for submission and the eligibility conditions. The documents are submitted to the boards of admission. The Faculty Council decides admission to the FEBA degree programmes. The quantitative data about the 2003 admission are given in Table 2.3.

Table 2.2. Quantitative indicators of the study process.

Level	Bachelor's*	Master's**	Doctoral
Class work (average no of hours per week)***	20/32	30	5
Minimum	18/32	28	0
Maximum	24/32	32	10
Subjects per semester (maximum)***	10/6	8	5
Independent work (hours per week)	20	20	20–40
Students per group for class work (average)	40	20	8
Minimum	15	15	5
Maximum	500	50	10
Total of independent written papers (credits)	6	20	120
Share of graduates within the nominal time (%)	Nominal time in progress		17
Share of *cum laude* graduates (%)	N/a	10	50

* Separate data about full-time and Open University courses
** Only in Open University
*** Open University has 10 short examination/class work periods; here the number of hours per one period is given

Table 2.3. Quantitative data about the 2003 admission

Level	Bachelor's	Master's	Doctoral
Competition	1.16*	1.34*	1.8
Points margin for entry	33.4/15.4**	9.1***	11.0***
Admission figures: Full-time	195	48	12
Part-time	0	0	0
Open University	56	48	0
Admission of fees-paying students	142	48	2
Average age of accepted students	19.8	25.3	285
Female/male ratio	131/64	20/19	6/6
Absolute number of graduates	no graduate	10	6
Average of dropout's students (%)	8.7/8.8****	0	*****
Non-citizens as students	3.6/0****	0	0

* Open University
**full-time bachelor's programme (for state-financed/fee-paying students), max. 40 (see notes to 5.2.1)
*** max 20
**** full-time/Open University
***** average number is unreliable because of the small number of students (see 5.4.1)

The Office of Academic Affairs and the dean's offices provide the general advisory service. For several years now, the first year students have been helped by tutors whom are senior students doing it on a voluntary basis. The role of students in various councils is regulated by the University's normative documents. Students make up 20% of the Academic Council, and even 33% of its Education Committee. There are 5 students in the FEBA Council. The students of master's and PhD

programmes elect their representatives to the council themselves, whereas the bachelor level representatives are appointed by the Students' Union and AIESEC. Usually full-time students take part in councils. On the one hand, it is self-evident, on the other; the specific issues of correspondence students are sometimes left unattended.

2.2. Bachelor's Programme

2.2.1. Description of the curricula

Goals, entry requirements and completion

In keeping with the Statutes of the University of Tartu, the core modules of our baccalaureate programmes are designed so that they, on the one hand, provide wider general knowledge and on the other teach fundamental knowledge and skills in the student's chosen field.

The bachelor theses at the end of the program are defended before commissions appointed by the dean. They are reviewed either by graduate students, researchers, and academics of the Faculty or specialists who have necessary academic degree. In assessing and grading the theses, the supervisors and reviewer's opinions of the work, its content and the defence procedure are taken into account. The diploma indicates the names of both area (social sciences) and curriculum (economics and business administration).

The strength of the FEBA curricula is that they are extremely flexible and systematic. The underlying principle is that education provided must be as universal as possible and as specialized as necessary. The curriculum under discussion has been designed, proceeding from the above tenets. The high quality of our studies and realisation of the potential opportunities offered by *universitas* are guaranteed by engaging academics from other faculties (mostly those of mathematics, social studies and law) in teaching our students.

The University's baccalaureate curricula that were introduced as a result of the higher education reform in the spirit of the Bologna Agreement attempt to simultaneously pursue two goals: to provide a wider general knowledge base and help the students to enter the labour market sooner than before. These two goals being contradictory by definition, it has to be admitted that the current curriculum too suffers from several weaknesses.

Provision of baccalaureate education in three years (120 credits) instead of four (160 credits), and offering a 16 credits compulsory core module practically shortens by 1.5 years the time that formerly used to be reserved for specialisation studies. Nor is the general knowledge base provided by major and minor courses identical (e.g. the content of courses in law offered to students of law is not the same with that offered to students of economics).

Structure of the curriculum and the content of studies

The Statutes stipulate rather stringent requirements to the bachelor's degree curriculum. The curriculum must comprise core modules, major modules and specialisation modules (each yielding 16 credits). In the present curriculum, the compulsory core part (32 credit points) involves two core modules, one of which is shared by all social studies subjects and the other is subject-specific. In the second year, at the major studies level (32 credit points); students can choose two modules out of four, and in the third year, at the specialisation level, two modules out of six. The selection of specialisation options depends on which major modules were chosen. Three optional modules (4 credits each) can be chosen either from the same or some other Tartu University curriculum, additionally one can take elective subjects (8 credits) and has to write the bachelor's thesis (4 credit points) (see Appendix 2.1).

As stipulated by the University's Regulations of Study, in full-time programmes the share of contact hours shall not exceed

50% and in correspondence programmes 25 per cent of study time. Since the FEBA has a good supply of readily available study materials, course books, printed and electronically accessible lecture notes, the recommended share of class work is under 50 per cent.

Organising practical training outside the University is comparatively difficult, as the Faculty lacks funds for paying to external supervisors, but the Faculty staff is too heavily overburdened with their teaching and research and cannot therefore undertake the work themselves. At the same time, it is common that part of the full-time students and practically all distance-learning students hold full or part-time jobs. Therefore at present practical training is included as an optional module. The University is planning to introduce the assessment system of earlier studies and work experience, which in the future will enable to consider the students' work experience as part of curriculum fulfilment.

The FEBA has always considered the task of developing the students' rhetorical skills an essential part of the curriculum. 78% of the employers hold the same opinion and 43% think that our graduates' level is satisfactory. Unfortunately, the growing number of students per academic has drastically reduced the possibilities for face-to-face oral communication even during examinations. Therefore more emphasis is laid on developing the students' writing skills.

The transfer to three-year bachelor's degree programmes has caused the creative part of the curriculum to shrink dramatically. Instead of the former three research papers (9 credits) only one has been left (2 credits), and the scope of the bachelor's thesis has fallen from 8 credits to 4.

The Staff of Dean's Office - From left to right – Aasa Vassiljeva (Secretary), Assoc. Prof. Helje Kaldaru (Vice Dean for Academic Affairs), Juta Lebedev (Secretary in Open University), Prof. Jüri Sepp (Dean of the Faculty), Anneli Kütt (Secretary), Kersti Kurri (Librarian), Ene Kivisik (Head of Dean's Office), Sirje Haas (Director of Faculty Library), Assoc. Prof. Raul Eamets (Vice Dean for Research), Selje Seeba (Project Leader of Open University), Kaspar Koov (Marketing Specialist)

2.2.2. The study process at the bachelor level

Organisation of the study process

Since the Faculty runs both full-time and Open University programmes, the organisation of each has specific features. Certain aspects have been pointed out above; next we will describe both forms of study in greater detail. The main forms of class work are lectures and seminars. At lectures (up to 25% of the total course hours in case of full-time and not more than 12.5% in Open University) the main concepts of a discipline are given. The size of seminar groups in undergraduate programmes is 40 and in specialisation studies 30. In computer practice, the size of the groups is determined by the seating capacity of the computer labs (15–20 workplaces). Several courses involve computer practice with the aim of mastering particular computer and software skills.

The FEBA requires that its staff would make study materials available to students, either in hardcopy or electronic form. Bearing in mind the needs of the Open University, this is inevitably necessary.

To promote self-sufficient learning, several courses involve report writing. Because the same subjects are taught in several institutions of higher education, it is difficult to always avoid plagiarism and trading. It has been proposed that in case a graduation paper contains plagiarisms, the students involved should be expelled for gross misconduct.

The time of lectures and seminars is fixed in the timetable. For full-time studies it is drawn up for a semester and is entered into the information system at least two months before the end of the previous semester. The times of Open University examination/study periods are announced in the Faculty prospectus, whereas the particular timetables are introduced during the previous study period (or, at the latest, two weeks before the next study period begins).

The Open University examination/study periods are arranged once a month, from Thursday to Sunday. Because in the first year subject area disciplines are taught, these periods are co-coordinated with the Faculties of Social Science and Law.

Assessment, grading and analysis

Assessment of results is mainly by examinations. As the groups are large, mostly written examinations are used. Research papers and graduation theses are assessed though the defence procedure, reports are presented at seminars. The results are graded, using the letters from A to F as stipulated by the University of Tartu Regulations for organising studies. Grade "A" means "excellent" and is given to those whose results meet 91% of the requirements and over, while "F" (the only negative grade) shows an inadequate result of less than 51% of the requirements. Usually it is previously fixed what proportion of the grade is determined by semester's work results and what proportion by the exam.

Most examinations are written. This is so because of the large numbers of students — holding oral examinations would be too time-consuming and written examinations allow also for more objective assessment, since several people can read the papers. In order to give the students a chance to develop their eloquence, many courses use combined assessment, summarizing the results gained by students during the semester (up to 50% of the grade) and the examination result.

The FEBA staff has tried to regulate the students' workload so that gaining one credit would actually mean one week's work. In full-time programmes, the usual 2-credit courses presume 32 classroom works (2 hours weekly), 4 hours of practices for writing tests an examination at the end. As a rule, examinations take place during the short examination/study periods, and the students can choose between two alternative dates. It has been agreed by the Faculty staff that examinations are held on Mondays and Thursdays, not to let them fall on two successive

days. In the Open University, the exam dates and tests and homework deadlines are set in regular timetables.

The questionnaire surveys among the undergraduates are conducted regularly in order to get feedback on the basis of which the quality of teaching and subject courses can be evaluated.

2.2.3. Description of bachelor students

Admission process

Applicants to the full-time programme are ranked on the basis of national exams results where a maximum of 40 points can be received; we admit those who have collected at least 15 points.

After the first ranking, in 2002 the applicants to the state-financed places in the FEBA needed 35.9 points and in 2003, 35.4 points. Since it was possible to apply for two state-financed and two fees-paying places simultaneously, the most brilliant students could choose a place of their first preference, which in many cases was not the FEBA. Therefore the final amount needed for entry was 33.4. According to renewed regulations, the applicants who have at least 34.5 points from the national exams can get a free place on the FEBA's programme of economics.

Unfortunately fees-paying students are much weaker since many highly ranked applicants with ca 30 points get state-financed places elsewhere, in some other speciality. In 2002 our lowest ranked applicant to a fees-paying place could enter with 20.4 and in 2003 with 15.4 points.

Ranking the applicants for Open University places, the SAT test results are taken into account. The test is run by the FEBA, it involves questions from the fields of mathematics, foreign languages (English, German, Russian), Estonian and general knowledge and yields up to 10 points.

The applicants' results are not comparable, for different tests are used every year. In 2002, there average result was 5.47

points and the result of those admitted was 5.88 points (from 10). In 2003 the large cohort of applicants collected 4.44 and those who were admitted had 4.87 points.

Analysis of students' workload and progress

On full-time bachelor's programmes there are at least 20 contact hours per week. Exam periods are more intensive, because 5–7 exams have to be taken. In order to spread their workload more evenly, the results of the tests written during semester are taken into account when giving exam grades.

The Open University plans 24–32 contact hours per each four-day exam/study period. Because of the need for group work the days can be rather long. As examinations must be taken at the same time, the students' load is really great.

In full-time study, the students have to gain at least 75% of the prescribed amount of nominal credits, that is, at least 30 by the end of the first year. Table 2.4 shows that those students who were transferred to their 2nd year, could successfully cope with the task. Those who last year gained under 30 credits have returned from their academic leave and their amount of credits gained permits them to continue as full-time students. Over a half, 55%, covered the nominal curriculum fully, 42 gained over 40 credits.

However, the pace of progress is rather different in case of state-financed and fee-paying students. While 78% of the former managed to cover 100% and more of the curriculum, there were only slightly over a third (35%) of such students among the latter.

Table 2.4. Progress in the bachelor's programme

	Full-time students			Correspondence students
	State-financed	Fee-paying	Total	
Admission in 2002/2003	55	94	149	80
On academic leave	3	23	26	9
Expelled	2	11	13	7
No of 2nd year students in 2003/2004	50	60	110	64
Amount of credits gained (total/%)				
40 credits and over	39/78	21/35	60/55	–
30–40 credits	9/18	34/57	43/39	39/62
20–30 credits	2/4	5/8	7/6	24/38
Average grade (total/%)*				
4 and over	20/40	4/7	24/22	6/9
3–4	21/42	10/17	31/28	18/28
2–3	8/16	29/48	37/34	38/59
Less than 2	1/2	17/28	18/16	2/3

* In calculating the average, grade "A" equals 5 points, grade "B" 4 points, etc. The lowest positive grade "E" equals 1 point.

In distance learning, the curriculum is spread over four academic years and the programme actually makes it possible to gain 30 credits per year, which permits continuing as a full-time student. For over a half of the students (62%) the proposed pace was appropriate, while the rest have to continue as part-timers.

Analysing the pace of progress, we cannot overlook the fact that 17.4% of the full-time and 11.3% of the distance-learning students have applied for academic leave. Therefore, it is good if in the future students can take a chance to switch to a part-time programme.

An analysis of the students' progress on the basis of grade distribution revealed the difference between state-financed and fee-paying students on the full-time programme, on the one hand, and between full-time and correspondence students, on the other. About a fifth (22%) of the full-time students makes very good progress (grades A and B) (see Table 2.5 above for details), while the average grade of ¾ of fee-paying students is lower than "good". The situation is alarming.

The distribution of grades of the correspondence/distance learners is as expected. The percentage of high achievers among them (9%) is smaller than in full-time study, which can be explained with the specific nature of this form of study. At the same time, the share of poor achievers is comparable with the respective figure of full-time state-financed students.

2.3. Master's Degree Programme

2.3.1. Description of the master's curricula

Goals, entry requirements and completion

This curriculum aims to provide all-round academic economic education, necessary knowledge base for continuing studies at doctoral level, and competences for working as a specialist in the field of economics.

From 2005/2006 on graduates of the three-year bachelor's programme will be the main cohort for this degree programme. In addition graduates of other subject areas will be admitted to the FEBA master's degree programme provided they have gained a minimum of 40 credits for economic subjects on their undergraduate programme. At present, we admit to our master's degree programmes graduates of both diploma studies and four-year bachelor's degree programmes (160 credits) in economics. In the latter case, the students follow the shorter version of the programme (40 credits). To graduate, the

students must pass the taught courses, and compile and defend a master's thesis (20 credits)[5].

The thesis is defended in the form of a public academic discussion at the meeting of the defence council appointed by the dean of the Faculty. The comments and opinions of two faculty members provide the discussion at the institute meeting before the official defence.

Structure of the curriculum and content of studies

According to the Statutes, the taught courses in the master's programmes of the University of Tartu yield 60 credits and the master's thesis 20 credits. In the FEBA programmes, the taught courses are divided into compulsory general subjects (16 credits) and specialisation subjects (36 credits). Elective subjects can bring up to 8 credits. The aim of the general subjects is to provide a broad knowledge base related to economics and business administration. Flexibility of the programme is guaranteed by specialisation studies, which offer six modules (12 credits each), from which the students have to select three. Two of the modules offered are related to economics (economic models and economic policy), while the other four are business administration oriented.

At the moment there are no state-financed places in the master's programme. Therefore, it is only affected by the Open University who uses a minimum number of contact hours, relying largely on the learners' individual work.

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[5] Following the Statutes of Academic Degrees of the University of Tartu, the more research-based degree *magister artium* (economics) is also awarded. In the pertaining curriculum, the master's thesis yields 40 credits.

2.3.2. The study process in master's programme

Organisation of the study process

On the master's programme, the study process is organised in the form of correspondence courses. There are two possible paths: those who have graduated from the 120 credit bachelor's programme will take a two-year master's, and those who have graduated from the 160 credit bachelor's programme will cover a year-long master's programme.

Examination and study periods take place once a month from Thursday to Sunday. Their dates are available from the FEBA academic calendar. In addition to the traditional methods described in the section discussing the bachelor's programme, WebCT distant learning environment is extensively used in administering not only the courses but also the entire programme.

The stages in the work on the thesis are fixed in the academic calendar. According to this, the work on the thesis starts with approval of the topic proposal in October and ends with defence in June. The students can find supervisors from among the teaching staff or researchers of the FEBA by mutual agreement.

Close collaboration of the student with the supervisor is paramount. It is not easy to combine students' professional work and writing a thesis that would meet all the requirements (especially if the studies are resumed after an interval).

Assessment, grading and analysis

At the master's level, the same scale of assessment is used as on previous level. The dean's office is in charge of the formal aspects of the study process, e.g. timetables, distribution of materials and information). At the time of examination periods, there is always someone in the dean's office even on Saturday and Sunday, ready to solve if problems rise.

The content of the courses and quality of teaching are the concern of the academics running them. Equal responsibility is shouldered by professors and chairpersons, who have to guarantee that the academic staff managing the courses is adequately qualified. In the past, there have been problems with both quality of teaching and content of the courses. The reason is not the lack of properly qualified good teachers, but the fact that good teachers are beyond all reason overloaded with work on other programmes.

If the system of considering earlier experience is adopted, then the student who has a job can replace part of the courses imposed by the curriculum (e.g. electives) by practical training.

2.3.3. Description of master students

Admission process

The vice-dean heads the board of admission to the master's programme; the members are two academics with PhD and one researcher (MA holder, doctoral student). The board is set on the dean's orders. In ranking the applicants, their grade for an extended outline of the proposed dissertation or of an essay describing the aims of the dissertation is taken into account (up to 10 points), the average grade of the previous level of study, and the grade received for the graduation thesis of the previous level (each yielding up to 5 points). The board will take its decision a week after the submission date of documents. The list (not the ranking) of the successful candidates (accepted by the board) will be made available on the Faculty homepage. The Faculty council takes the final decision prior to the start of the following academic year.

Comparison of the last two years' intake (see Table 2.5.) revealed that, as expected, the bachelor's programme graduates were somewhat better. The differences were due to their better

grades, because the average results for the previous level of study were equal in both cohorts.

Table 2.5. Admission to the master's programme

	Applicants		Those admitted	
	No.	Average points	No.	Average points
Total in 2002	74	17.01*	54	17.80*
Among them BA holders **	31	17.34*	27	18.03*
The rest***	43	15.03*	27	17.05*
Total in 2003	67	13.93	49	14.46
Among them BA holders **	49	14.46	49	14.46
The rest***	18	12.50	0****	

* In 2002. the maximum of points was 25 (20 for essay+5 for graduation thesis)

** have studied economics and gained min. 160 credits (attend the 1-year programme)

*** diploma course, professional higher education and economic education before 1992

**** In 2003 no two-year group was formed

Analysis of the students' workload and progress

Last academic year 50 students got enrolled on the master's programme in economics. 25 of them had the bachelor's degree in economics (having gained at least 160 credits). 10 students completed with a master's degree. The table 2.6 shows that 25 students (a half of those who started) progressed at a pace equivalent to 75% full-time study speed. Once again it can be concluded that correspondence students need the opportunity to study part-time, because it allows them to combine work with studies.

Judging by grades master students make better progress than bachelor students. Two graduates (20%) had an average grade

higher than four and five students had an average grade between three and four. 15 % of those who are continuing have a very good average grade, the respective indicator in the bachelor's programme being 9%.

Table 2.6. Progress on the master's programme

	Students	Share (%)
Intake in 2002/2003 (enrolment)	50	100
On academic leave	7	14
Expelled	0	0
Graduated with master's degree	10	20
2nd year students in 2003/2004	33	66
Credits gained		
40credits and over	10	20
30–40 credits	15	45.5*
20–30 credits	7	21.2*
Under 20 credits	11	33.3*
Average grade**		
4 and over	5	15.2*
3–4	11	33.3*
2–3	17	51.5*

* share among the 2nd year students

** In calculating the average, grade "A" equals 5 points, grade "B" 4 points, etc. The lowest positive grade "E" equals 1 point.

2.4. Doctoral programme

2.4.1. Description of the doctoral curricula

Goals, requirements for entry and completion

The aims of the doctoral curriculum are to provide all-round knowledge of different economics disciplines, and to further the students' independent work skills needed in their future careers as academics, researchers or highly qualified economics specialists. To qualify for admission on doctoral programmes, the applicants must have a master's degree or equivalent level of education.

The FEBA's PhD thesises are usually monographs published in the University of Tartu *dissertationes* series, while three articles published in journals with international coverage or in collections of articles are preconditions for the defence. The thesis is defended on the meeting of Faculty Council, which is opened for public discussion. Two highly qualified opponents — one form abroad, the other outside the University — create the dispute with the PhD students. The preliminary discussion is held at institute where two faculty members prepare the comments and opinions.

The development of the new PhD curricula that would accord to the needs of the changed post-socialist environment had to start from the design of the bachelor and master's programmes. In 1993 the FEBA conducted an extensive curricular reform. The content of baccalaureate programmes was adapted to the new object of study (free market economy), and the students were given more right of choice within the curriculum. The master's degree (*magister artium*) became the first higher academic degree and reached the theoretical level of its western counterparts thanks to the fact that a large part of the programme was taught by the foreign lecturers of the EuroFaculty. Doctoral studies were not yet in the list of priorities at that time because transition economy lured talented young people away.

In late 1990s there were enough people who have gained the *magister atrium* degree and had the interest towards PhD programme, and consequently the programme was carefully redesigned. A framework was created for developing doctoral studies, but the curriculum itself was overly general because the teaching was practically done on an individual basis. There were a few other problems as well. Because the social sciences had considerable development gap left by socialist education period, majority of PhD students were unable to finish their studies within nominal time due to their difficulties in producing high level international publications required.

In a small country like Estonia doctoral studies cannot be developed outside the domestic and international network. The FEBA of the University of Tartu and the Faculty of Economics at Tallinn Technical University have started to co-operate on developing their doctoral programmes (plans are to harmonise curriculum), involving also foreign academics and researchers.

Curriculum structure and content of studies

According to the Statutes, the nominal time of doctoral programme in the University of Tartu is four years (160 credits). 25% of this is taught courses and 75% the doctoral thesis. The current version of the curriculum contains general subjects yielding 22 credits and two optional modules in the subject area (economics and business administration), each yielding 14 credits. Additionally there are elective subjects giving 4 credits.

Central among the general subjects are the doctoral level courses of micro- and macroeconomics, and econometrics, giving in-depth knowledge of theoretical and empirical economics. Doctoral students who have studied elsewhere may sometimes need to take master's level courses first in order to coupe with requirements. The subjects in the optional modules follow the research interests of the FEBA academics.

It is extremely important to give students an opportunity to study part of the time abroad. As a result, the curriculum varies in each individual case, for the courses taken abroad at the required level are recognised by the FEBA. The Faculty supports of the students' efforts to study abroad.

The creative and research aims are mainly achieved in the course of writing the thesis. As supervisors of doctoral theses, the professors and associate professors of the Faculty are used. Several students also have a co-supervisor from abroad (e.g. Prof. Michael Funke, University of Hamburg, and Prof. Kalle Määttä, University of Joensuu). In the framework of the curriculum, a doctoral students' summer school takes place yearly, at which visiting professors and doctoral students present their research results.

2.4.2. The study process at the doctoral level

Organisation of studies

Compared to bachelors and master's programmes, doctoral studies have several peculiarities. The role of individual work is much greater, the taught courses yielding only 10 credits each nominal year. Depending on the topic of the dissertation, a set of relevant subjects is formed, which can vary for individual students. The yearly intake being small (10–12 people in the last couple of years), groups are composed by students of different years of entry and sometimes the students of *magister atrium*. Different subjects are offered each year.

The following kinds of courses are used. Firstly, courses that have a fixed timetable and syllabus, last for the whole semester and are run by the academic staff of both the FEBA and the EuroFaculty. Secondly, cyclical courses run by visiting lecturers. More extensive courses are run cyclically. A combination of both variants is also possible, in which the PhD students have to select, in addition to a fixed timetable course, an additional course run by a visiting professor (by prior agreement).

Thirdly we can mention the all-university courses for PhD students about research and teaching methods. Fourthly, it is possible for PhD students to attend courses offered abroad. To support studies abroad, a special system has been worked out. Namely, 100,000 kroons (about 6390 euros) are earmarked from the Faculty budget to support each student in the period of his/her studies.

As writing a doctoral thesis presupposes familiarity with many research issues, regular seminars are held. Participation in them is taken into account when yearly performance appraisal is carried out. Several departments (econometrics, economic theory) run also seminars, at which their PhD students (and students of academic MA programmes) present their more interesting research outcomes or less known methodology.

There is every reason to view separately the PhD students' summer school (see Table 2.7.), which in the new version of the curriculum is presented as a new course.

Table 2.7. PhD students' summer schools

	2001	2002	2003
Number of Participants	40	54	49
Visiting Professors	3	3	4
Faculty Members	6	8	4
PhD students	20	33	31
Master Students	8	6	6
Visitors	3	4	4

The summer school takes place annually as a special off-campus research seminar. The aim of the summer school is to provide doctoral students with knowledge of and experience in contemporary trends and problems in international economy. During the summer school, visiting professors deliver lectures,

doctoral students make presentations about their research, and problem and group discussions are held. For their full-time active participation students can earn up to 3 credits. As a result of the special seminars during the summer school, several research papers of students are published as the Working Papers of the University of Tartu Faculty of Economics and Business Administration. Prior to the event, the research papers are peer-reviewed by fellow doctoral students.

For information exchange, there is a joint mailing list for academic MA students and PhD students, which is used for giving information about intended and running courses, preliminary information about seminars, and information about scholarships and learning opportunities abroad.When organising the study process, we have to bear in mind that practically all PhD students have jobs and work. The students residing in Tallinn tend to prefer cyclical courses, while students working at the Faculty support a traditional timetable.

Assessment, grading and analysis of results

Assessment and grading are not as relevant at this stage of study as on lower levels. The University of Tartu uses the system of grading (A–F) imposed by the Regulations of the study process, but according to the new version of the Statutes of academic degrees, doctoral thesises are no longer graded.

No compulsory evaluation questionnaires have been worked out especially for PhD programmes. The reason is the small number of participants, which would not yield objective results. Thanks to the good rapport between the professors and students, the course outcomes are analysed informally.

When inviting visiting lecturers, PhD students' suggestions are heeded. Discussions with the visiting professors (and the grades given by them) serve to reveal the aspects in which our students either failed or excelled.

The Institute of Management and Marketing - From left to right – Assoc. Prof. Aino Siimon, Prof. of Management Maaja Vadi, Juta Freiberg (Secretary), Lecturer Vambola Leping, Prof. of Marketing Mait Miljan, Research Fellow Rena Selliov, Assoc. Prof. Tõnis Mets, Mare Allas (Secretary), Assoc. Prof. Anu Reiljan, Assoc. Prof. Tõnu Mauring, Prof. of International Business Urmas Varblane, Lecturer Merike Kaseorg, Assistant Ain Sakk, Tiia Haldma (Executive Secretary), Research Fellow Ele Reiljan, Kaire Kask (Secretary), Senior Research Fellow Tõnu Roolaht, BA student Oliver Lukason

2.4.3. Description of PhD students

Admission process

Admission on the doctoral programme is the concern of a professors' commission headed by the vice-dean of research. The decisions to admit are taken by the Faculty Council immediately after the closing date of documents submission. Admission presupposes that the applicant must have a master's degree or equal qualification in economics or related area

The applicants are ranked on the basis of two parts: an extended outline of PhD thesis (can bring up to 10 points) and an interview (up to 10 points). The admission figures to the doctoral programme in 2003 are given in Table 2.8.

Table 2.8. Results of the applicants for the PhD programme in 2003

Categories (number)	Points (maximum)		
	Outline (10)	Interview (10)	Total (20)
All the applicants (18)	5.9	5,9.	11.8
Those admitted to the state-financed places (10)	7.8	7.7	15.5
Those admitted as fee-paying students (2)	4.5	3.5	8

12 of the 18 applicants had received their master's degree from the UT (among them 10 *MA* (economics)("old" 4+2 system), 1 MBA and one master of economics ("new" 3+2 system)), three from TTU and three from institutions abroad. The last three were our own master's students who had been sent abroad to study. It appears that among those eventually enrolled were relatively more Faculty's *MA* (economics) holders than among the whole cohort of applicants.

Analysis of the students' workload and progress

The efficiency of doctoral studies (measured as the ratio of completed PhDs to the number of applicants) is relatively low both in the University of Tartu and Estonia as a whole. Between 1991 and 1998, 13 people were admitted. By now, five of them (38%) have defended. This figure is slightly better than the University average.

Information about the PhD students' progress is yielded by annual accreditations. This is generally prescribed by the University Regulations of organising studies, but the FEBA Council has introduced strictly regulated rules of our own. The PhD students have to present a report indicating their study results, the number of articles published, conferences attended (with presentations), research fellowships abroad, and other scholarly and research activities. The results of three last years' accreditation are given in Table 2.9.

Table 2.9. Results of accreditation of the FEBA PhD students

year	2000/2001		2001/2002		2002/2003	
	Number of PhD students	Average amount of credits	Number of PhD students	Average amount of credits	Number of PhD students	Average amount of credits
1st	8	16.8	14	13.9	14	16.9
2nd	9	35.8	16	33	12	31.5
3rd	4	38.8	7	38	15	42.6

As seen from the table, the doctoral students have been relatively successful. By the end of the 1st year, the amount of 1.5 year's credits, and by the end of the 2nd year, the amount of 3 year's credits has been gained; by the end the 3rd year, the course is practically completed. Every year there were only a few students who could be conditionally accredited (had gained 75% of the required amount of credits); in both 2000/2001 and 2002/2003 one student had to be expelled for

underachievement. The FEBA is very supportive of its students' studies abroad. Table 2.10 gives data about the PhD students who have studied abroad from 2001–2003.

Table 2.10. Our doctoral students abroad

	2001	2002	2003	Total
Credits gained	15	67	96.5	178.5
PhD Sts studied abroad	4	6	12	22
Over a month abroad	2	3	8	13
FEBA financial support (in thousand EEK)	127.8	181.8	201.0	510.6

As can be seen, the volume of studies abroad has grown year by year. The Faculty's role in funding them, on the other hand, is losing its significance as scholarships are becoming available.

3. ADDITIONAL PROGRAMMES AT THE FEBA

3.1. Master's in Business Administration (MBA)

In addition to the three main programmes described above, the FEBA offers two additional master's programmes, Master's course in Business Administration (MBA) and Master's course in Entrepreneurship and Technology Management.

The curriculum of *Master's course in Business Administration (MBA)* of the FEBA offers an opportunity to acquire a professional degree of MBA by distance learning. The programme is designed for managers and specialists with both economic and other types of higher education who are willing to undergo high-level degree training while working.

Requirements for admission of students are determined in the Rules for Admission to the UT and in its Appendices. In accordance with the Standard of Higher Education and the Guide to Applied Degrees of the UT, a BA degree or the level of education equivalent to a BA degree is a prerequisite of admission. Upon admission to the MBA programme, persons with actual professional experience in the field of business or management are preferred. The specific specialty previously acquired at an institution of higher education is not important because the idea is to give an opportunity for individual development to persons who face problems of business and management in very different walks of life. Applicants shall submit their CV together with other required documents, including a short description in a freely chosen format (an essay) about expectations relating to acquiring the MBA degree, by the

date set in the Rules for Admission. A committee appointed by the Dean shall evaluate essays, managerial experience and the need for individual development (graduates of specialties other than economic fields and graduates of earlier years are preferred). A ranking list of applicants shall be drawn up on the basis of the aggregate amount of evaluations. For those who drop out based on the ranking list, but need, and are willing to acquire education in the field of business administration, an opportunity has been created to improve knowledge in the form of an intensive, one-year in-service training course on business administration. Those who complete the course with the best results are preferred upon competition to master's study in business administration next academic year.

As student places of MBA programme are financed outside the state budget, the admission quota of students is determined by the Council of the FEBA and approved by the University Council of the University of Tartu. The Council of the FEBA decides on admission before the academic year starts.

For the first time students were admitted to the programme of MBA of the FEBA of the UT in the spring term of 1995/96. In the years to follow admission has taken place at the beginning of an academic year. In the first year the planned number of persons to be admitted was fifty, later on it has been sixty.

The fact that tuition is conducted in distance form of study is taken into account upon organisation of study. It is allowed to suspend payment of the contractual fee for a year (in substance, it means the customary academic leave in full-time form of study), and persons who have paid tuition fee for the whole programme are permitted to make up for the backlog free of charge during one academic year. The minimum period for completion of the programme is two years, 2.5 years is customary, and 4.5 years shall be the maximum time.

The contingent of those enrolled in the programme of MBA is relatively heterogeneous. This has many positive sides but it also involves certain difficulties in the organisation of tuition. The fact that different previous education and professional experience makes it possible for students to learn from each other during seminars can be regarded as positive. This also sets higher requirements to the teaching staff for preparation of lectures and seminars, which in the sum total has a positive effect on the quality of education provided. At the same time, it is inevitable that some of the subjects treated are familiar to some people from their day-to-day work, but completely new and unfamiliar to others. As demands are the same to everyone, some people have to take more pains to meet them.

The structure of the curriculum meets the requirements provided by the Guide to Professional Degrees of the UT. The volume of the curriculum is 80 credit points (CP). Master's studies cover 60 CP, including subjects 40 CP, internship 10 CP and professional examination 10 CP. The volume of the master's project is 20 CP (study in lecture rooms in the form of master's course seminars). The structure of the curriculum is presented in Table 3.1.

Table 3.1. The structure of the MBA curriculum

	Hours of study in lecture rooms	Credit Points
Master's study	**400**	**60**
Economics	40	4
Econometrics	40	4
Business Policy	40	4
Management Course for Advanced Level	40	4
Business Environment	40	4
Financial Accounting	40	4
Managerial Accounting	40	4

	Hours of study in lecture rooms	Credit Points
Marketing Management	40	4
Financial Management	40	4
International Economics	40	4
Internship		10
Professional Examination		10
Master's project (including seminars)	**20**	**20**
Total of master's study	**420**	**80**

The since majority of those who commence studies lack higher economic education, therefore one of the aims is to provide general systematic knowledge of laws governing economic processes. This aim is achieved by teaching such general subjects as economics, business environment, enterprise policy and international economy.

The second aim is to teach students to examine problems that arise at their workplace, find solution alternatives and write them down precisely and clearly.

The third aim is to provide specific and up to date knowledge in such particular fields of business as accounting, financing, marketing and management. The aforesaid aims, of course, are closely intertwined in the process of tuition.

Special features of the MBA curriculum are:

- orientation to managers and specialists with professional experience,
- treatment of subjects in integrated blocks of equal volume,
- absence of general subjects (foreign language or computer studies for instance),
- academic way of treatment in case of applied disciplines as well.

For the enrolment a person must hold a bachelor's degree or a level of education equivalent to a bachelor's degree and meet admission requirements. For the graduation the curriculum has to be completed in full, i.e. master's study passed and a thesis defended. The chair shall determine the maturity of a master's project for defence. A publication is recommended, but not obligatory, and it is widely done.

Master's studies cover ten fields of subjects (see Table 4.1. above). Each field of subjects is co-ordinated by a leading member of the teaching staff in the respective field of study. Besides the degree-holding teaching staff of the FEBA, recognised visiting professors and top-level specialists and practitioners also participate in tuition.

Lectures shall make up one-fourth of the volume of each subject; the rest shall be an independent work. For this to be successful, the professor who is in charge of the particular subject will make available printed texts of lectures (ca 200–300 pages in A4 format per each block) to be distributed to the students when the subject starts.

Internship shall be organised in the place of work of each student. In the course of internship the learner shall be given an individual task on the performance of which he/she shall report. Students discuss internship reports, sharing their experiences with others and learn from them.

A professional examination shall be taken before a committee appointed by the dean. This examination forms a part of the requirements for a degree award and therefore, in accordance with the requirements of the Guide to Defence of Professional Degrees, six members of the Council of the FEBA who possess an academic degree are included in the committee. The examination is oral. Revision items, which cover the more important parts of subjects, shall be announced to the students in good time.

The initial version of MBA curriculum was valid for students enrolled in the years 1996–1999. At first no changes were made in it for it was necessary to check in practice its appropriateness with respect to the aims set up. In spring 2000 the second version of the curriculum was approved.

The most significant of changes regarding the content is the inclusion of econometrics in the curriculum as an independent subject. Earlier it formed only a part of the block of economic theory. In the course of tuition a great interest of students in empirical economic research and serious gaps in this field in their knowledge were revealed. A study carried out in this subject also serves as good preparation for writing the master's project.

The second important change was reducing the volume of study in lecture rooms to the agreed volume (one hour per each credit point) accepted in distance learning of the University of Tartu. Thirdly, an opportunity was provided to write the internship report (based on the analysis of the use of working time) on a topic similar to the future master's project. These changes have helped to create closer co-operation between a student and the supervisor of a master's project and allowed more students to reach preparation and defence of their master's project in the period since 2000.

The master's project is a study of research or of development character, based on scientifically validated methodology. The applicant may choose a topic associated with the problems confronting his/her company, in order to analyse and solve the tasks facing the firm and to plan future strategies.

One of the characteristic features of the programme is the possibility of implementing it through the Open University (distance learning). This sets firm rules to the organisation of tuition. The curriculum of the MBA course, according to the version of this term, prescribes tuition conducted in 18 study sessions in two years. The study sessions are held at one

weekend (Friday, Saturday, and Sunday) once a month from September to June. Timetables are published in the Faculty guidebook.

Students are provided with the timetable for the next session with lecture hours, lecturers' names, and subjects in a written form at the previous session. It will be also made available on the FEBA web page. The dates for written papers, the date for the professional examination and the deadlines for defending master's projects will be included in the Faculty guidebook.

The main task in counselling students is to inform them of the curricula and organisation of tuition. Three persons from the Dean's Office staff — a project manager and two assistants — deal with the personal counselling of students. One of them is always present during weekend sessions as well. Mailing addresses of all the teaching staff are published in the Faculty guidebook. This allows students to turn directly to the lecturer with the questions they want to solve.

As tuition is organised in the Open University format, lectures comprise only one quarter of the total academic programme. Therefore, it is necessary to systematically organise independent work of the students. The teaching staff compiles printed lecture material for each subject, with the consideration of at least five pages of text in size A4 for each lecture. The materials are handed out in the beginning of the subject teaching.

The amount of tuition in lecture halls is relatively small and practically no lectures in the traditional sense are read. Rather, seminars are held in various forms. As students have received the lecture notes beforehand, they can add explanations, considered necessary by the teaching staff. Group work is used for encouraging students to be more active and the results are discussed by the group. In many subjects homework tasks are assigned, and results must be presented by a set date either in written form, via e-mail or orally in the next session. A web-based teaching method, where students and the teaching staff

communicate in a special working environment, is used for teaching some subjects.

In preparation of the master's project, individual co-operation between a student and a supervisor has a significant role. It is the supervisor's duty to assess the way the problem has been set up, recommend literature useful for solving the problem and render advice in data collection and processing. After the first draft of the thesis is completed, the structure of the paper is discussed again. The supervisor is obliged to draw the student's attention to the formal side of the project and to the use of language. Master's projects are written in Estonian and a summary in a foreign language shall be appended to every paper.

Finished projects are going through a discussion in the chair of the supervisor, involving the author. If upon this discussion a conclusion is arrived at that the project has been finalised on at least a satisfactory level, the student is advised on the final completion of the paper and a recommendation is passed on to the Council of the Faculty of Economics to allow the thesis to be defended.

The Council of the FEBA has delegated the right to carry out defence procedures of theses to a competent committee that includes seven members of the faculty with an academic degree. The defending procedure takes place in a form of public discussion. Evaluation of the thesis is awarded at a closed session of the committee. The grade received at the professional examination, the opponent's and the supervisor's estimations and the progress of the defence procedure are all taken into account.

The level of master projects has risen from year to year. From amongst master's candidates who commenced in 1997 and completed the programme within the standard time almost half were awarded *cum laude* evaluation to their projects. One can assume that they were talented people who could complete their studies fast and successfully. The evaluations awarded to

projects of those people who had studied relatively longer are not so high.

In principle, graduates with the master's degree in business administration may apply to acquire a doctorate degree *doctor philosophiae (PhD)* in economics.

Upon preparation of the curriculum of business administration the principle that subjects are only evaluated on a two-point scale: sufficient/insufficient, is used. The teaching staff is strictly required to present written requirements for achieving a positive mark before the commencement of teaching a subject.

The parallel co-existence of applied and academic versions of master's study has both positive and negative effect on the quality of tuition. The positive effect is that the two curricula complement each other. Every program in economics includes both theoretical and practical aspects. Therefore the MBA program allows to make the academic curriculum more down-to-earth, and vice versa, academic tuition provides a sufficient scientific basis for applied approaches. The negative side of the system is that the teachers who are used to work with full-time students, use the traditional teaching methods in the applied master's programme and therefore cannot establish sufficiently good contact with students.

The labour market shall give a final evaluation of the quality of education. At least now, one can notice positive signs here. For instance, although the number of similar curricula is considerably increased in other institutions of education, there is still competition for vacant student places of this study programme and the contingent of admitted students is comparable to previous years.

The start-up and implementation of the MBA curriculum has involved a number of positive changes:

- the contingent of students has become diverse with regard to both previous education, professional experience and age;
- the curriculum provides an opportunity for people who work to improve their knowledge;
- people are willing to pay for their study and this has contributed additional funds to the faculty and to the university, the use of which has helped to better implement other curricula and develop infrastructure;
- completion of the curriculum has considerably increased the share of those enrolled in graduate studies.

The main problem is the small share of those persons who graduate, defending a degree. To overcome it, the faculty has to improve the content and organisation of tuition process consistently.

3.2. Master's in Entrepreneurship and Technology Management

Since the sustainability of competitive positions obtained by Estonian companies depend to the great extent from their entrepreneurship and innovativeness. The government of Estonia has also expressed the views that more attention and support should be drawn towards facilitating entrepreneurship and technological research. Although, the new technologies lie at the core of projected development path, the FEBA of the UT has recognised its new role as the facilitator of technology management expertise.

At first, the Faculty intended to offer business planning and management courses to interested people majoring in technological fields of study. These special courses led to the co-operation with the Institute of Technology of the UT and with the Dutch technology centre Zernike Group. In Autumn 2002 pilot series of technology management courses was

started, where experts from Zernike and academics from other domestic and foreign institutions functioned as lectures.

From 2003/2004 academic year the successful pilot project was upgraded into a master's course in Entrepreneurship and Technology Management. The students who participated in pilot project where allowed to join the programme. Government supported the new programme by offering 10 state-financed student places to be created on the competitive bases. Altogether about 25 students where admitted by the selection committee. The admission rules to this programme are in many respects similar to MBA programme. Applicants shall submit their CV together with other required documents, including a short description in a freely chosen format (an essay) about expectations relating to the studies.

The candidates for programme should have Bachelor's degree or corresponding level of education. Programme is especially targeted to professionals who have obtained their higher education in the field of natural sciences, and who intend to establish their own company or implement R&D results in the form of new products and services. The other group of candidates includes persons who are interested in technology management at the governmental level in order to work for government agency or to teach technology management subjects by universities.

This master program has to train specialists, who are able to connect thorough knowledge in concrete technologies with practical entrepreneurial know-how. The supply of different knowledge of technology management enables to create synergetic effect for obtaining and implementing new business ideas.

Curriculum consists of six modules:

- Entrepreneurial environment,
- Technology policy and management,
- Marketing and sales management,

- Financial planning and control,
- Legal issues,
- Human resources and communication.

Obligatory subjects should render 46 credit points, optional subjects 10 credit points and free subjects 4 credit points. Research project 10 credit points and 2 final exams 10 credit points in total.

The nominal study time is two years, which is divided into four semesters. During first three semesters lecture courses are held, while last semester will be reserved for preparation of the research project. The courses are provided from September to June in the form of five day sessions once a month (Thursday-Monday). Part of study process takes place in Internet. The students will be provided with textbooks and hard copies of lecture notes. About 50 percent of all lectures and seminars are held in English (by foreign lecturers). There are plans to start from 2004/2005 academic year full-English programme.

Since the programme is very new, there are no graduates at this point. Therefore, more extensive evaluation of the programme and cohort's academic success is not yet possible. The initial feedback about the quality of pilot project has been very good. The sustainability of academic quality should be facilitated by the planned transfer of knowledge project in the framework of FP-6 Marie Curie Mobility Grants provided by EU. However, the FEBA is making also progress in integrating our staff members as lecturers and tutors into that master's programme.

To conclude, the master's course in Entrepreneurship and Technology Management is at the forefront of the FEBA professional study programmes in using possibilities offered by international cooperation.

At present, the FEBA continues to offer Diploma level professional studies (four year programme), which under 3+2 curricula these programmes will be replaced by bachelor's

degree programmes. Due to these forthcoming changes the detailed analysis of these programmes is not needed.

The important feature of the FEBA Diploma programme is that it is offered also to the Open University students at Narva College of the UT. This agreement will be continued by offering Bachelor's degree courses instead.

4. RESOURCES FOR THE TUITION PROCESS

4.1. Lecture rooms, libraries, and computers

The Faculty of Economics and Business Administration of the University of Tartu is located in a new and renovated building in the town centre. The working conditions of the students and the teaching staff accord to the standard requirements. The site of the building is favourable: the university's main building, its administrative units, university classrooms, and several faculties lie in close vicinity. There are 18 classrooms, including seminar rooms or lecture halls seating 20–120 (with a total seating capacity for 1053 in the new Faculty building). There are three computer classes, having in total 53 workplaces. The structure of rooms and the number of places meets the demand in general. The Faculty has one square meter and 0.7 places for each student. Indeed, there is a need for a 200-seat lecture hall, but the faculty can also use the more spacious lecture halls located elsewhere in the university. We think the problem is not acute because the practice shows that there is good co-operation between the Faculty's timetable administrators and university support staff. There is a need for a students' common room, which would provide better facilities for them to study and communicate between lectures. Such a room will be fitted out within year 2004.

The academic and support staff is well provided with offices, which take up 692 m² and have new and specially designed furniture. The classrooms have also ergonomically designed supplies, the latter fact being shown by the certificate. The building also accommodates the office of AIESEC — an inter-

national organisation for students of economics and management having close co-operation ties with the Faculty, and a cafe. Consequently, it is possible to have meals during the workday. Coffee and tea are served during the breaks. The lavatories are located on all the floors of the building and there is a special washing room on the first floor. There are special facilities in the building of the Faculty to meet the needs of people with a disability. The maintenance firm *Kyyriks* takes care of both routine daily tidying and periodic out-and-out cleaning of the building.

The technical facilities (i.e. computer labs and office computers) could be characterised as follows: there are 150 computers, including 53 desktop computers in computer labs, and 10 notebook computers in the hands of users. Computer labs are open free usage 40 hours per week usually. As the hardware used, Pentium II to Pentium IV can be mentioned. The FEBA is provided with 18 overhead projectors, 8 multimedia projectors, including three that are set stationary in the classrooms enabling easy access to materials from Faculty members' office computers. There are a sufficient number of printers. The Faculty also has a video camera and several photocopiers for the staff and one for the students.

Regarding software, our computers operate on the basis of Microsoft Windows 2000 Pro, Microsoft Office 2000 Pro, and XP Pro. The server is equipped with the Novell Netware 5.1 and 6.0. The Faculty has invested in buying several kinds of software, e.g. WinZip, SPSS (campus license), Stata, EViews, International Statistical Yearbook (university license), Festart for translation (all-university agreement), ZENworks, Altiris, Ipswitch, Mercury and Pegasus from David Harris, UpdateExpert from Sunbelt, to mention but a few. The system has two-level virus-protection by using Symantec Antivirus CE and Norton Virus Detection, the patches of software switching on automatically. Last but not least, the Wireless Internet has been introduced in the Faculty building. Alar Pandis, who has

The Institute of Finance and Accounting - From left to right – Assistant Priit Peets, Maris Astel (Executive Secretary), Assistant Kaia Kask, Lecturer Priit Sander, Prof. of Corporate Finance and Investments Vambola Raudsepp, Lecturer Sinaida Kalnin, Research Fellow Janek Uiboupin, Prof. of Money and Banking Mart Sõrg, Assoc. Prof. Nadežda Ivanova, Lecturer Ljudmila Žorikova, Prof of Accounting Toomas Haldma, Visiting Lecturer Enn Leppik, Assistant Sirle Kasendi, Riina Viilup (Secretary), Sirje Saarmann (Secretary)

worked for a long time as our full-time IT administrator, has done an excellent job. This is one of the factors that have significantly influenced the development of the Faculty's technical basis. Students can use all the resources of the computer classes and the abovementioned software is available to students as well. It has to be mentioned that the Faculty can use the WebCT facility, which provides flexible e-learning solutions for higher education. It gives new prospects for holding seminars and has already been integrated in the tuition process.

All in all, the Faculty is well equipped with various technical facilities and it is important to keep up with novel trends in this area because the technology changes very fast.

The Library of the University of Tartu is the largest and oldest in Estonia, its collections containing 4 millions books, as well as ca 5000 electronic journals and databases. The library is a universal academic library for all the fields of research pursued at the University of Tartu, and a holder of a complete collection of all information published in Estonian and about Estonia.

The Library of the University of Tartu has been very successful in creating possibilities of access to international databases and collections. From the perspective of the needs of the Faculty of Economics and Business Administration, the following data bases could be indicated herein: the EBSCO (EBSCO Academic Search Premiere, EBSCO Business Source Premier), the Science Direct (Elsevier), Synergy (Blackwell), Springer LINK, the JSTOR Business Collection, Cambridge Scientific Abstracts. It is also possible to use the CURRENT CONTENTS Connect (ISI) (Social & Behavioural Sciences, Business Collection) and EUROSTAT facilities in order to get information for research and studies. Information about the European Union is available from the Library's Centre of European Documentation.

All these possibilities are very popular among both the staff and the students of the Faculty who actively access information from the abovementioned sources to keep abreast of the latest developments in various fields. The Library gives monthly overviews of newly received materials as well as updates the staff about the possibilities to use its data bases and helps people to orientate in the large amounts of information. Recently, the librarians have arranged several presentations of databases for the FEBA.

The students have a 15-seat library of the Faculty at their disposal. The Faculty's supply of contemporary educational and scientific literature has improved considerably. The Faculty library collection includes 7000 printed items. The Library staffs have also catalogued the books in the possession of the chairs/departments, which are available for the broader round of people. This process enabled making 750 printed items available to a wider readership via the electronic catalogue ESTER created by the University Library. At present there are 70 different journals in the Faculty Library. In 2003 the Faculty contributed 100,000 EEK towards purchasing study materials and scientific literatures, by now 130 books have been ordered. In keeping with the Faculty's policy, the library buys one Estonian-language textbook per ten students. Of course, the amount of textbooks in English is insufficient. There are two ways to solve this problem. First, the staff can order the latest books and use them as works of reference when writing Estonian textbooks, accordingly adapting the approaches to the Estonian environment. Secondly, several databases are used for integrating the latest academic developments in the tuition process. The Library is functioning well and is a strong support to the studies.

At least three different kinds of Internet usage could be outlined. First, we consider the all-university level, where students and academic staff get information about the organisation of university life and the study process. The

library service is also an example of that level. Secondly, the faculty-level Internet service provides information about different documents (i.e. the requirements set to research papers, working papers) as well as carries up-to-date information and useful links. The chair/department-level is the third level, which is represented by websites and teaching aids. Most of the Faculty members provide their lectures with handouts or full text materials. We can conclude that the Internet is closely integrated in the tuition process and also supports the students' everyday communication within the University and Faculty.

The students of the FEBA are frequent visitors to the EuroFaculty library. That library with 21 seats and 6100 items in the University's Lossi Street building mostly holds literature on economics. This is well-equipped library, which has supported significantly the FEBA's development.

4.2. Financial resources

The financial resources of FEBA are composed of following items:

1. Income from tuition
   1.1. Government-financed tuition
   1.2. Tuition fees (full-time)
   1.3. Tuition fees of Open University
   1.4. Other fees
2. Income from research activities
   2.1. Target funding of research
   2.2. Estonian Science Foundation grants
   2.3. Research and development contracts
   2.4. International contracts and grants
   2.5. Target funding of PhD research
3. Other income

During the last decade the internal structure of the FEBA operating incomes has been changed dramatically. While in the middle of 1990-ies the majority of FEBA income (approx

90%) composed by the government-financed tuition income, in 2004 its share constitutes only 20% from the total income. More particular structure of the FEBA income budget in 2000–2004 is given in table 4.1. Total amount of income increased 39% in the FEBA during the last five years. While the income from tuition increased 23% in total, government-financed tuition income decreased 19% during the same period. As a result, the share of tuition fees constitutes 53% of total income in the budget of 2004 (the government-financed tuition income 20%, as was mentioned above). It is also favourable that the incomes from research activities have been increased 181% (from 134.9 thousand euros in 2000 up to 379.4 thousand euros in 2004) and its share from total income from 10% up to 21% correspondingly. It is also evident and even paradoxical, that the overhead amount accrued from non-governmental tuition fees and research grants and contracts (384.9 thousand euros in 2004) and given to university central funding exceeds the government-financed tuition income (365.0 thousand euros in 2004).

Table 4.1. Income budget of the FEBA in 2000–2004 (in thousand euros)

OPERATING INCOMES	2000	2002	2004
1. Income from tuition	**1185.2**	**1398.7**	**1458.4**
1.1. Government-financed tuition	449.9	442.1	365.0
1.2. Tuition fees (full-time)	159.8	185.4	300.3
1.3. Tuition fees of Open University	575.4	671.3	671.4
1.4. Other fees	0	99.8	121.5
2. Income from research activities	**134.9**	**244.4**	**379.4**
2.1. Target funding of research	44.1	56.3	64.7
2.2. Estonian Science Foundation grants	41.6	61.7	83.9
2.3. Research and development contracts	39.1	22.4	147.1
2.4. International contracts and grants	0	83.1	60.7

OPERATING INCOMES	2000	2002	2004
2.5. Target funding of PhD research	10.2	21.0	23.0
3. Other income	**6.4**	**5.1**	**6.4**
Total income	**1326.5**	**1648.2**	**1844.2**
4. Overhead	**–254.0**	**–316.2**	**–384.9**
Net income	**1072.5**	**1332.0**	**1459.3**

The majority of expenses are formed due the personnel costs (up to 70%). The resources gained through the fee-charging tuition services have enabled retain an average level of wages competitive with the salaries offered in private businesses and to secure the stability of the academic and assistant staff. From an annual budget on average 5% are allocated for investments.

These tendencies of the FEBA financing have favourable aspects as well as some limitations in a longer perspective. The increase of the amount of tuition fees serves as an additional source to finance the FEBA operation. It enables to contribute PhD students library and research centres visits in Western countries with a sum of 6.4 thousand euros per student. The investments made by the institutes and the attendance of the academic staff at international conferences in certain percentage are covered by Dean's Office with help of these financial resources.

From the other side, decrease of the government-financed tuition income diminishes the financial stability of the FEBA and put the future-oriented operation of the FEBA under the certain pressure and financial constraints. Also, through the several study programs introduced during the last years the teaching staff of the faculty is substantially overloaded with teaching activities. Therefore it is difficult for them to concentrate on research activities.

5. ACADEMIC AND SUPPORT STAFF

5.1. Quantitative indicators

According to the 2002 Report of the University, there were 78 people on the FEBA staff (by November 2003 this figure had risen to 83), 39 (42 in November 2003) engaged in tuition and 12 (15) in research work. In the last few years, the staff has remained relatively stable, with fluctuations within the range of 10%. There has, however, occurred a noticeable growth in the number of researchers, which is in line with the priorities set by the FEBA strategic plan of development — to become Estonia's leading centre in the field of economics. If in 1996 we had only two researchers on the payroll, then at present we have nine (the posts are mostly shared by two PhD students). There have been welcomed changes in the structure of the teaching staff of the Faculty. Since 2000, six Faculty members have defended their doctorate degrees; two new professors, two new associate professors, as well as two new senior researchers have been elected. Table 5.1 describes the structure of the Faculty's staff (see Appendix 5.1. for staff members).

Table 5.1. Structure of the FEBA staff (November 2003)

Unit	Number of people employed	Among them		
		Academics	Researchers	Support staff
Institute of Management and Marketing	23	13	5	6
Institute of Finance and Accounting	17	12	1	4
Institute of Economics	32	17	9	6
Dean's office	10	–	–	10
TOTAL	83	42	15	26

Some of the Faculty's staff works part-time and at the end of 2002, overall 35.75 academics and 7.25 researcher posts were filled. Among the staff, 48 have an academic degree (28 master's and 27 doctorate). The proportion of people with an academic degree is 61.5%, slightly above the university's average (58.7%). The data from the last accreditation report (in 2000) reveal that the proportion of the teaching and research staff with an academic degree was 87.5%, which has now grown to 91.2%.[6] Several young co-workers have obtained their master's degree and started their doctoral studies. In the near future there will be more defences of doctoral theses, as the majority of researchers and lecturers without a PhD are presently enrolled in the doctoral programme. Table 5.2 gives an overview of the staff's involvement and academic degrees.

[6] The data from the accreditation report in 1996 revealed that almost one third of the academic and research staff were without an academic degree.

Different indicators may quantitatively estimate the role played by the FEBA at the University:

- the share of the teaching staff of the Faculty made up 4.9% (4.6% counting the colleges),
- ratios of students (together on the full-time and distance form of study) to a member of the teaching staff[7] (38.3 at the FEBA and 20.6 at the University) and
- credits given per a member of the teaching staff (979 and 436, respectively) allow us to estimate the intensity of tuition in quantitative terms.

The teaching of different specialities has specific features; therefore such indicators cannot be directly compared between faculties. However, they allow us to conclude that the teaching load of the FEBA staff is overly large.

Table 5.2. Characteristics of staff involvement and their academic degrees (November 2003)

Post	Total	Among them					
		Elected	Full-time	Part-time	Ph.D degree	Master's degree	BA degree
Professor	10	10	8	2	10	–	–
Assoc. Prof	12	11	11	2*	13	–	–
Lecturer	12	11	10	2	3	9	–
Assistant	8	7	6	2	–	3	5
Reseacher	15	14	3	12	2	13	–
Support staff	26**	–	20	6	–	3	16

Note: * Two associate professors have half load in the FEBA and work half load in the Faculty of Mathematics, one as an associate professor and the other as a senior researcher.

** One professor works additionally as a project leader (0.25 load) and one researcher works as a secretary (0.25 load).

[7] Together with the Open University students.

The academic staff's qualifications, age and relation to various study programmes are shown in Table 5.3. The average age of the personnel is 42.9, while the average age at the university is 45.0 years. However, if to analyse the age structure of academic staff, we can conclude, that there is only 12 lecturers and researchers in the age group of 31–45 (only five of them hold doctoral degree). Ten people from teaching staff are older than 55 years and eight of them hold doctoral degree. The relatively small group of leading faculty members should be supported by the new generation of lecturers. The future of FEBA in general and success in development of modern research groups in particular depends on the ability to prepare a new generation of academicians. This has been in the centre of attention for FEBA during the last five-eight years (see also sections 4.4 and 8.4). However, the organisational climate at the Faculty is very good and there is close cooperation between different age groups of the academic staff.

Tuition at the university is based on research, the results of which can be quantitatively assessed by the number of publications. In 2002, publications by the teaching staff and researchers of the FEBA made up 14.1% of all the UT publications. Although the number of articles published in high-quality peer-reviewed international journals per one full-time member of the teaching staff was lower than at the University as a whole, the total number of publications in 2002 was 431: 11.0 publications per one full-time academic staff at the FEBA and 3.0 at the University of Tartu (more detailed overview is presented in section 5.5).

Table 5.3. Quantitative indicators of the curricula

Indicators	Bachelor's Programme	Master's Programme	Doctoral Programme
Academics in charge of the curriculum	43	21	15
Academics elected on a competitive basis (%)	95.3	95.2	93.3
Structure of academics' workload (%)			
• Full-time	83.7	76.2	86.7
• Part-time	16.3	23.8	13.3
Average age of academic staff	46.5	45.2	48.5
Average working record at the University of Tartu	19.3	18.3	20.9
Qualification of academics (%)			
• Dr.Sc, Cand.Sc and Ph.D	58.1	81.0	100
• Master	34.9	19.0	–
• Bachelor	7.0	–	–

Note: Analysis of the academics' research work is given in section 7.5. The support staff services all the programmes in the respective units's curriculum.

5.2. Analysis of sufficiency, suitability and qualification of the FEBA academics

5.2.1. Bachelor's Programme

Tables 5.3 and 5.4 show that among those teaching the BA programme, 58.1% have a doctorate, 34.9% a master's and

only 7% have BA degrees. At the same time, nine doctoral students are employed in the programme.

The people's involvement at the programme differs: nine teach the equivalent of 2 credits, while one professor teaches subjects the equivalent of 9 credits and six academics additionally teach subjects the equivalent of 6–8 credits. The professors and associate professors of the Faculty mostly have the heaviest workload.

Table 5.4. Staff teaching the Bachelor's Programme

Post	Total	(%)	Among them				
			BA degree	Master's degree	Ph.D degree	Full-time	Part-time
Professor	7	16.3	–	–	7	7	–
Associate professor	11	25.6	–	–	11	10	1
Lecturer	14	32.6	–	10	14	13	1
Assistant	6	14.0	3	3	–	5	1
Researcher	4	9.3	–	2	2	1	3
On hourly basis	1	2.3	–	–	1	–	–
TOTAL	43	100	3	15	25	36	6

Relatively small percentages — 14% — of the people teaching the baccalaureate programme are part-timers. Most part-timers are simultaneously our doctoral students. Due to the implementation of the new curriculum, two academics (one assistant and one lecturer) will no longer be able to get a full workload. At the same time, an associate professor with 0.5 loads is having a similar load from the Faculty of Mathematics.

In the next five years, ten persons will retire, who at the moment are teaching 17 subjects; nine of them have a doctorate

degree. Three persons due to retire soon are working in the Chair of Marketing (teaching 6 courses), which means that the whole staff will have to be replaced. Fortunately, no other units can foresee such a radical change of staff.

5.2.2. Master's Programme

One third of the teaching staff have worked less than 10 years, while five have a working record longer than 30 years. Five academics are due to retire in the next five years, at the same time four young academicians are enrolled on the FEBA's doctoral programme. Tables 5.3 and 5.5 show that 81% of the academics teaching the master's programme are doctoral degree holders, and 19% are masters. The workloads of the staff vary: while eight persons teach the equivalent of 5–7 credit points, six teach only single subjects equivalent to 1.5 – 2 credits.

28.6% of the part-timers are engaged in teaching the master's programme. Two associate professors additionally have 0.5 loads in the Faculty of Mathematics, which has helped to substantially raise the quality of teaching of the econometric and mathematical subjects in the FEBA. Four part-time researchers are doctoral students of the FEBA, who we hope will succeed as academics, after having received a modern education, and having studied in different universities abroad.

Six of the staff teaching on the master's programme (running 6 subjects) at present is due to retire in the next five years; five of them have a doctorate degree. Again it is the Chair of Marketing, from which two staff members will retire (at the moment teaching two subjects). Both professors of the Institute of Finance and Accounting are due to retire, and at the moment there are no more PhD holders in the institute, who could potentially fill the professorships in the near future. It will take some time before the present doctoral students get their degrees and can meet the requirements set to people qualifying for the professorial position.

Table 5.5. Staff teaching the Master's Programme

Post	Total	(%)	Among them				
			BA degree	Master's degree	Ph.D degree	Full-time	Part-time
Professor	8	38.1	–	–	8	8	–
Associate professor	5	23.8	–	–	5	3	2
Lecturer	4	19.0	–	1	3	3	1
Assistant	1	4.8	–	1	–	1	–
Researcher	3	14.3	–	2	1	–	3
TOTAL	21	100	–	3	17	15	6

5.2.3. Doctoral Programme

Table 5.3 shows that all of them have the PhD or equivalent degree. As this is the highest level of tuition, several people may be in charge of one subject. The involvement of staff varies: three people teach the equivalent of 5 credit points, while seven teach only single subjects equivalent to less than 3 credits.

Three persons are due to retire in the next five years (running three subjects at the moment). It will be difficult to find replacements for them, there being no such PhD holders on the staff, who could have the potential for qualifying as professors in the near future in these subjects.

5.3. Analysis of election to positions, quality assurance and renewal of staff

5.3.1. Elections and renewal of academic staff

In safeguarding high quality of tuition, the educational standards of the teaching staff have a significant role to play. All the academic positions are filled on a competitive basis and their contracts of employment are signed for a fixed period (professors for 5 years, assistants for 3 years, etc.). On expiry of the work contract, a new public competition is announced for the position, in which the person who has hitherto held the job can participate. The candidates for the position will then be weighed up at the Faculty Council (except for professors who are elected by the University Council), and a contract for the next period will be signed with the successful candidate. If a professor has been re-elected for three times and he/she has an 11 years' working record as a professor, he/she will acquire academic tenure. At the moment there are six such professors at the Faculty.

The questions of staff and structure of the FEBA are discussed every year at the Faculty Council's session in April, at which, in line with the upcoming needs, also suggestions are made for announcement of competitions for new or vacant positions.

The rise in the quality of the staff's performance is largely the result of further training received at the universities of western countries. During the transition period, most of the FEBA teaching staff enjoyed such further training opportunities (see also section 1.2). At present young lecturers are sent to foreign universities to complete their doctorate thesis. The faculty allocates 100,000 EEK from its budget to support their studies. The curricular reform was fast and effective due to the support gained from the EuroFaculty. Close cooperation on the MA programme of economics with foreign lecturers in the role of teaching associates who covered a large part of the tuition has

The Chairs of Finance and Money and Banking - From left to right – Lecturer Priit Sander, Sirje Saarmann (Secretary), Prof. of Corporate Finance and Investments Vambola Raudsepp, Maris Astel (Executive Secretary), Assistant Kaia Kask, Prof. of Money and Banking Mart Sõrg, Assoc. Prof. Nadežda Ivanova, Research Fellow Janek Uiboupin

helped to raise the qualification of the FEBA lecturers (see also section 6.4).

Once during a five-year period, the academics enjoy the right to take so-called sabbatical leave, during which they have no teaching obligations but retain their salary. On a regular basis, in-service training courses are offered to academics to update their knowledge and skills, for instance, on the most recent teaching methods (e.g. teaching in the WebCT environment). The Faculty of Education has initiated a new course on teaching methodology "Tuition in higher education", which is most useful for younger staff.

5.3.2. Quality assurance

Assurance of high quality of tuition is one of the strategic tasks of the UT. The UT strategic plan until 2008 emphasises that the University shall guarantee equally high quality in all its forms of study, implementing the total quality management system, offering new, well-prepared courses, updating the content of courses, improving the learning environment and using modern methods of tuition. When evaluating the academic staff's work, the quality of tuition shall be held as a significant factor, and the learner's feedback on the courses, among other things, shall be taken into consideration.

Keeping in mind its main objective — to educate economic specialists with a broad outlook, creative working style and ethical attitude (being socially responsible) — the FEBA has its system for quality assurance. This system may be described through following points:

- ensure high quality of teaching staff,
- ensure high quality of the process of tuition,
- direct the feedback and stimulating measures towards quality assurance.

Ensuring high quality of the teaching staff involves as its main objective guiding the lecturers towards research, because only a researcher can be a competent lecturer at the university. The lecturers of the Faculty are most productive in the number of publications in the whole university. The representatives of the Faculty were most successful in their respective field of study at the grant competition of the Estonian Science Foundation.

The staff performance quality control has been strengthened through the more meticulous process of election of the lecturers on vacant posts and by specifying the procedural rules. The work of the candidates' attestation commissions has become more substantial. In choosing and electing the personnel, the requirements for the respective professional posts set by the university administration have been taken into account.

Both feedback and stimulation are ways helping to direct the staff of the Faculty towards enhancement of the quality of performance. Every semester on a regular basis the students are asked to fill in the questionnaire "Evaluation of tuition and subject courses", on the basis of which the Office of Academic Affairs will produce a respective report. As a result, a general evaluation of the tuition process and feedback regarding each individual lecturer has been made. The evaluation outcome is made known to the direct employer of the lecturer (the Head of the Chair), who can use the obtained data in sharing the load of lecturing and developing an estimation of the lecturer's work before re-elections. At the Open University, the lecturer's salary depends on the students' evaluation. However, the main outcome in the feedback system is the information gained by each lecturer about his/her work. This forces lecturers to improve their standards and methods of tuition and eliminate the shortcomings.

In addition to its internal quality assurance activities, the University attaches great importance to feedback from alumni and employers. Every year the Careers Service sends out questionnaires to be filled in by the alumni, who at the time of the

questionnaire have worked for about six months after graduation. The alumni are asked to evaluate their coping in the labour market, how much they have needed the knowledge obtained at the University, what level of knowledge they received, and also what ways they can suggest for improving the aspects that need to be improved. The results of the questionnaires will be made available to both the faculties and wider public (on the web).

During the years, the FEBA has retained close relations with its alumni. There are databases, where one can find information about the careers of graduates. All specialities have organised regular "subject days", where lecturers and students have met graduates of the Faculty. Conferences are held, where the more active and successful alumni have been able to share their opinions about the development prospects and problems of the given field. Those opinions have been used in transforming the tuition process according to the new curricula.

At present, the BA students of the FEBA have quite a wide range of specialisation opportunities according to the academic programmes and differentiation into subjects has lost its importance. Therefore, it occurred reasonable to form one alumni society for all graduates, called "Hermes". It is the only alumni society at the University embracing all graduates of one faculty. The members of the Council of "Hermes" are frequent guests at meetings of the Faculty Council. Another tradition is to organise entertaining gatherings in the end of the year. The society has also awarded prizes for the best students' papers. Since 1997, larger meetings of alumni are organised in springtime, where the graduates are informed of the events that have meanwhile occurred in the Faculty and joint discussions are held about the current economic problems in Estonia.

Collaboration with employers and consideration of their proposals and suggestions in curriculum design is the responsibility of the faculties. Most certainly in the future

employers will have to be even more involved in the designing of curricula and organisation of studies, primarily by way of helping to enhance the facilities for practical training.

5.4. Principles underlying the distribution of workload and additional administrative tasks

5.4.1. Distribution of workload and additional administrative tasks

The staff's workload depends on the structure of the curriculum and the subjects taught, but also on the requirements set by particular posts. The tasks related to the teaching posts (proportions of tuition and research, additional tasks, etc.) as well as the employees' rights and responsibilities are regulated by several UT documents concerning the staff. In connection with the transfer to the 3+2 model, the teaching loads of some people have not been even every semester, but the situation will stabilise once the curriculum has been wholly implemented (see also Appendix 5.2.).

The staff's permanent additional tasks are primarily related to and derive from their positions, for example, heading institutes and chairs, belonging to the Faculty Board and the Faculty Council. Table 5.6 show the additional tasks of the staff.

Apart from permanent additional tasks, the staff can get specific temporary tasks. Usually the dean may issue an order for making up commissions, e.g. for electing associate professors, for admission of students, for examinations, etc., but also for promotion of web-courses, English-courses, etc. People will be elected to such commissions primarily on the basis of their competence and qualifications.

Table 5.6. Permanent additional tasks by posts

Post	Pro-fessor	Associate Professor	Lecturer	Assis-tant	Researcher
Dean and vice deans	1	2	–	–	–
Faculty Board	5	3			
Faculty Council	8	6	1	–	2
Heads of Institutes	3	–	–	–	–
Heads of Chairs	10	2	–	–	–
TOTAL	10	12	12	8	15

5.4.2. Personal performance measurement and compensation

Every year a self-appraisal involving the whole Faculty is carried out during preparation of an annual report and a new budget. The faculty has established a comprehensive system of recording the teaching load and publications of all the teaching staff. This is prepared once a year and forms a basis for distributing funds for tuition between institutes, but also for differentiating salaries of the staff. In the case of normative distribution, the institutes, which show the decrease of work-load or productivity, have to cope with fewer resources.

Measures of stimulation in the Faculty are directed to the enhancement of the quality of tuition and research. Both moral and material stimulation means are implemented. One of the moral stimuli is the fact that the results of work (load of teaching, publications, etc.) of all members of the teaching staff are published and can be compared. Material stimulation means that salaries and additional remuneration are based on the actual work contribution. Material stimulation can be of collective or individual character.

The wage policy of the FEBA is directed towards stimulating an increase in the work contribution of employees. As the wage resources are quite limited, the wages are differentiated to a maximum extent. The salaries of individual employees within an institute are also differentiated according to the work contribution (load of instruction and administrative work and publication activities), and are not based only on formal criteria. This has resulted, that considerable differentiation of salaries has emerged: the salary of a lecturer at the FEBA may be higher than of a professor at the same faculty, depending on the workload and productivity. As a result, the highly motivated core of the staff dedicated to academic work is maintained, and the publishing activity of the teaching staff has increased. This has also enabled to link young and perspective lecturers with the Faculty and prevented them from seeking better-remunerated jobs in practical economic professions.

However, although the implemented measures have resulted in positive changes in the work of the Faculty, there have been some problems as well. As the number of students has substantially grown with the implementation of the new programmes, the staff is working under greater strain than in normal circumstances. This is supported by the evidence about the student-lecturer ratio and the number of credits given by one lecturer described above. It cannot last like this for very long. It is still hoped that by recruiting more young academicians it will be possible to share some of the teaching load with them and to allow the leading teaching staff, who have helped the Faculty to overcome its most strenuous period, carrying an enormous lecturing load so far, to devote more time on research.

5.5. Analysis of the research activities

At the FEBA, research is conducted consistently with the directions and principles laid down by its strategic plan of

development. The FEBA aims to retain its leading position in Estonia as a centre of research and academic economic education. In a longer perspective, this will lay the base for the FEBA to develop into a leading regional centre of economic education. A significant aim is also cooperation and communication with the international research community as an equal partner. Our major research topics include general theoretical and methodological issues of transition economies, and solving the theoretical and political problems related to Estonia's accession to the EU.

The main research topics of the FEBA in 2000–2003 can be grouped as follows:

- Institutional and socio-economic factors and issues of the sectoral and regional development of the Estonian economy.
- Human capital and the problems and possible risks related to its use in the Estonian labour market.
- Problems related to social justice and economic inequality.
- Institutional development of transition economies, market failures.
- Ways of enhancing the competitiveness of both the country and at the separate industry level in the process of EU integration.
- Economic co-operation in the Baltic Sea region.
- Analysis of the possibilities for implementation of value-based marketing control in Estonian enterprises.
- Survey of problems related to organisational behaviour and personnel management in Estonian organisations.
- The role of foreign direct investments in the restructuring of transition economies and the contribution of foreign direct investments to enhancing the competitiveness of Estonia's manufacturing industry.

- Problems faced by Estonia's foreign trade in connection with the country's forthcoming accession to the European Union.
- Globalisation problems of Estonian enterprises.
- Development of institutional mechanisms of accounting in transition economies.
- The impact of saving, investment and taxation on the financial activities of enterprises.

The competitive ability of the FEBA staff is well illustrated by their successful applications for target financing of research topics and the Estonian Science Foundation research grants (see Table 5.7.). Today the FEBA of the University of Tartu is Estonia's leading centre of economic analysis. It participates as a partner in three projects of the EU Fifth Framework Programme, and conducts research at the request of Estonian governmental institutions. Many academics and researchers of the Faculty are personally involved in international projects and research programmes.

Table 5.7. The FEBA in competition for grants in economics from the Estonian Science Foundation

	1997	1998	1999	2000	2001	2002	2003
Grants awarded in the field of economics	29	23	22	18	16	19	17
grants to the FEBA	8	8	8	6	8	9	10
The share of the FEBA in total (%)	27.6	34.8	36.4	33.3	50.0	47.4	58.8

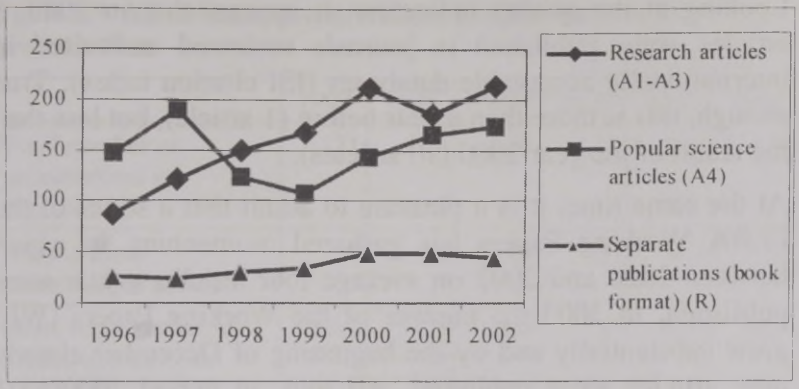

Figure 5.1. The dynamics of the FEBA publications (number of titles)

In quantitative terms, the research contribution is most clearly indicated by the number of publications and attendance at conferences (see Appendix 5.3. for rules). In 2002, the FEBA members published altogether 431 publications, 50% of which were research articles, 40% were popular science articles, and 45 were separate publications (books) or their parts (10%) (see Figure 5.1.). The increase in the share of research articles is clearly discernible. In 1996, research articles made up 33%, popular science articles 56%, while the proportion of separate publications was the same (10%) (see Table 5.8.).

Table 5.8. Publication of research articles

	In peer-reviewed international journals	CC	Total research articles
1998	–	–	149
1999	–	–	168
2000	10	2	210
2001	1	–	186
2002	4	1	213
2003	8	–	na

Looking at the quality indicators, it appears that in 2003, 8 articles were published in journals reviewed and cited in internationally acceptable databases (ISI citation index). True enough, this is more than a year before (1 article), but less than the result of the year 2000 (10 articles).

At the same time, it is a pleasure to admit that a series of the FEBA Working Papers has gathered momentum, in which between 2000 and 2002 on average four articles a year were published. In 2003 the number of the Working Papers (WP) grew substantially and by the beginning of December already nine articles were published. All told, in period 2000/2003 years 24 working papers have been printed.

All the articles in the WPs are peer-reviewed by an anonymous local reviewer and the series editor will give the author his comments. Given other universities' experience, one can say that the growth in the number of WPs will create the necessary preconditions for increasing the number of peer-reviewed papers. The change of focus in publishing is clearly perceivable.

In 2002, the FEBA staff attended altogether 138 conferences and seminars, making presentations at them (see Table 5.9.). 56.5% were international events. Compared to 1997, the number of presentations at international events has grown twofold. Also the number of people who participated with presentation at prestigious conferences is growing.

Although the publication of textbooks and general informative articles is an extremely important activity for raising the quality of instruction and for spreading knowledge among all members of the society, it has a backlash expressed in the small amount of high-level internationally recognised scientific publications. It is still hoped that by recruiting more young teachers, it will be possible to spread the teaching load. This enables the leading teaching staff to devote more time on research.

Table 5.9. Attendance at conferences and seminars with presentations

	1997	1998	1999	2000	2001	2002
Total number of presentations at conferences	121	110	107	126	146	138
Among them presentations abroad	34	30	52	68	66	78
Share of presentations abroad in total (%)	39.1	37.5	48.6	54	45.2	56.5

In Fall 2000 The Higher Education Quality Assessment Centre of Estonia (HEQAC) has invited four experts from Belgium, France, Portugal and Slovenia to provide an evaluation of five institutions involved in economics and business administration research. These institutions were: FEBA of Tallinn Technical University (TTU), FEBA of University of Tartu, Faculty of Economics and Social Sciences in Estonian Agricultural University, the Estonian Institute of Economics at TTU and Estonian Business School. Results of the evaluations were presented in the scale of 4 stars: four stars mean "excellent", three stars "good", two stars "satisfactory", one star "un-satisfactory". FEBA of University of Tartu was awarded with four stars, Estonian Business School got two stars, and three other institutions got three stars. However according to report..." This is not to say that Tartu-FEBA has yet reached a level of excellence by international standards as far as research in economics and business administration is concerned. However, such a result means, from the expert point of view, that, given initial shock of transition, the level of Tartu-FEBA research is sufficient to confront international competition. Moreover, the pace of its research activities is accelerating."

5.6. Analysis of the support staff selection, duties and training

Most people on the support staff of the FEBA have relatively long work experience at the Faculty: three-fourth of them have worked over 10 years. At present both the number and qualification of the support staff is satisfactory for the needs of the Faculty. In case of job vacancies, the personnel department of the University will arrange competitions for them.

The duties of the support staff depend on the unit in which they work. In the chairs they practically perform the role of personal assistant to the head, supporting both the tuition and research done by the unit. They also have some personnel and finances-related tasks: e.g. keep account of the staff's workload, balance the budget, etc. The support staff of the dean's office organises the whole Faculty's study process (timetables, advisory service, study results, documentation). An important part of work is coordination of the Open University programmes. Information service, advertising, etc. are the concern of the dean's office staff. In the recent years, in connection with the creation of several all-university databases (Electronic tuition information system, Livelink, electronic research information system, etc.) the work has become more sophisticated and brought new tasks. In connection with additional duties, various training sessions have been held, primarily for learning computer skills, but also for learning secretarial skills, management, business etiquette, legislation, first aid, etc. The FEBA encourages its co-workers to attend training sessions outside the University and extends financial support to them. The IT area of the Faculty is the concern of the administrator of the computer network, whose task is to keep both the modern computers and network in good working order.

The Institute of Economics - From left to right – Assoc. Prof. Otto Karma, Research Fellow Andres Võrk, Ülle Maidla (Secretary), Mare Allas (Secretary), Assoc. Prof. Toomas Raus, Assistant Juta Sikk, Assoc. Prof. Helje Kaldaru, Prof. of Economics Olev Raju, Ivi Kase (Secretary), Senior Research Fellow Tiia Viisak, Prof. of Econimic Policy Jüri Sepp, Prof. of Econometrics Tiiu Paas, Anne Kuigo (Executive Secretary), Assistant Raigo Ernits, Assoc. Prof. Kaia Philips, Jaanika Meriküll, Research Fellow Jaan Masso, Egle Tafenau, Lecturer of Economics Anneli Kaasa, Assoc. Prof. Villem Tamm, Assoc. Prof. Raul Eamets

6. THE PARTNERSHIPS OF THE FEBA

6.1. Historical background

In Soviet times, contacts with economists from other countries were very limited. Tartu was a closed city because of a Soviet military aircraft base; therefore foreign academics had no right to stay in Tartu overnight, for example. The academic network was created only with other parts of the Soviet Union.

After regaining independence, the relatively good contacts with economists from the former Soviet Union (Russia, Ukraine, Latvia and Lithuania) discontinued. The situation was new for researchers and teachers in Estonia as well as in other countries of the former Soviet block. In addition, financial difficulties emerged, making it practically impossible to organise even traditional scientific conferences. The scarce financial resources had to be spent on integration with Western science and the academic communities. Thus, there were very few academic contacts with the West at the beginning of the transition. One can even say that we did not belong to the Western academic community. Building up contacts, and becoming a part of the academic networks took time and efforts.

The second very important point was short supply of information, that is, of pertaining literature, course books, journals, but also of different empirical databases. In the Soviet period, our researchers had no access to western literature or had only limited access via restricted libraries in Moscow. At the

beginning of independence, we received a relatively large amount of textbooks, books and journals in the form of foreign aid. However, even if we got the latest versions of books or most recent issues of journals of that time, we missed the background information. This very big gap in our knowledge was finally bridged by the introduction of the electronic journal database (EBSCO, J-stor) in 1999–2000.

At the beginning of the 1990s, our co-operation with the west consisted only in inviting visiting lecturers. The visitors mostly had to finance their stay themselves. Co-operative research projects were extremely rare. The main obstacle was that our scientists were occupied with reorganisation of tuition and were also unprepared to study new phenomena of free market economy and last but not least, they were unknown to western partners. An obstacle was also the language problem, because in Soviet times, Russian was the language of science and people's command of English or German was limited. Paradoxically, the main obstacle to scholarly communication with Russia at present is the insufficient knowledge of Russian of the younger generation of economists. The situations started to change smoothly in the mid-90s and today the Faculty has several co-operative contacts with western universities.

6.2. International research co-operation

6.2.1. EU-level co-operation

Different levels of cooperation can group the Faculty's international contacts.

- The first is the EU level where our people participate on an individual basis (Phare ACE projects from the past) or the Faculty is an institutional partner in the Fifth and Sixth Framework Programmes or other EU-level projects (Marie Curie).

- The second is the regional level, when we talk about the Baltic Sea Council's initiatives such as the EuroFaculty.
- Thirdly, the co-operation based on bilateral or multilateral co-operation with international institutions (World Bank, ILO, OECD, ETUI, ETF etc) or grant providers (NORFA, Nordic Council of Ministers, FPPE, etc.).
- Fourthly, there is bilateral co-operation with partner universities.

Relying on their previous experience in international scientific co-operation, the staffs of the Faculty has been able to compete for participation in the projects of the Fifth Framework Programme. At present, a four-year (2000–2004) interdisciplinary project "The Baltic Sea Area Studies: Northern Dimension of Europe" has been launched, involving universities and other institutions of higher education from the Baltic Sea region. The FEBA of the University of Tartu has integrated into the project with its studies of the economic development of the Baltic Sea region. The team leader from the Faculty is Prof. Tiiu Paas. The project emphasises integration of young scientists into international inter-disciplinary research. Additionally, there have been three interdisciplinary PhD seminars and schools:

- Winter School on Methodology of Area Studies, Berlin, Nov./Dec., 2001;
- Winter School on Methodology: Loss, Decline and Doom in the Baltic Sea Area, Greifswald, February 7–22, 2003;
- Euro-Summer School – Baltic Sea Region 2010: Methods, Theories and Practicalities. Virtual Colloquium, May 16 – 13 June and Workshop in Greifswald, 7–13 July, 2003

Two applications for projects within the Fifth Framework Programme have been prepared in order to study the Eastward enlargement of the European Union. The first project presented was "The Eastward Enlargement of the Eurozone". The application was preceded by a preparatory conference on June

9–11, 2000 in Berlin (Freie Universität Berlin) under the title "The Enlargement of the Eurosystem", where members of the FEBA of the University of Tartu also presented their work. The project involves economists from Germany (Freie Universität Berlin), Finland (University of Helsinki, Government Institute for Economic Research), Italy (University of Bologna), Poland (Warsaw School of Economics), Portugal (University of Evora), Slovenia (Institute for Economic Research) and Estonia (University of Tartu). On Estonia's side, the team leader is Prof. Tiiu Paas.

The general objectives of the project are:

- analysis of the implications and consequences of the possible expansion of the eurozone by the countries of Central and Eastern Europe (CEE) associated with the EU, and of the current eurosystem,
- the creation of a communication network between academia, government institutions and the business sector as well as
- the development and discussion of economic policy scenarios.

The economists and political scientists involved have developed an interdisciplinary framework allowing for a comprehensive analysis of the risks involved. Since the project deals with crucial economic, monetary and fiscal elements of the accession, decision-makers in the corporate and political world may profit from this venture. This is particularly true about the analysis of structural market adjustments, social stability and political responsibility. To date more than 20 working papers related to the project topics have been published. These papers and other information concerning the project is available on website at http://www.ezoneplus.org.

The other EU research project is "EU-Integration and Prospects for Catch-Up Development in CEECs: The Influence of Structural and Technological Transformation on the Closure of

the Productivity Gap". The project's co-ordinator is Dr. Stephan Johannes from the Halle Institute for Economic Research (Germany). The participants are from the FEBA of the UT, Hungary, Poland (Warsaw School of Economics), Slovenia (University of Ljubljana), and Czech Republic (CERGE), Great Britain (SSEES, University of London). The estimated duration of the project is four years and it started in spring 2001. Economists from the University of Tartu (team leader Prof. Varblane) have worked on the sub-project "The Technology Structure of Branch Plants in the CEESs".

Our Faculty staffs has been active in different Phare ACE projects, here are a few examples:

- **Impact of Foreign Direct Investment on the International Competitiveness of CEEC Manufacturing and EU Enlargement** (Phare-ACE project P97-8112-R) Group leader: Dr. Gabor Hunya (Vienna, WIIW), partners in Estonia Prof.Urmas Varblane with Ele Reiljan. Duration 1999–2001. Our partners were from the universities of Prague, Ljubljana and Warsaw, the Hungarian Academy of Sciences, the Vienna Institute of Comparative Economic Research, and the UNCTAD.
- **EU Integration Driven Investment Networking: Outward Foreign Direct Investment of Candidate Countries.** (Phare-ACE 98 project) Project leader Marjan Svetličič (Ljubljana University, Slovenia). Partners from Estonia Urmas Varblane and Ele Reiljan. Duration of the project: 1 March 2001 to 31 Aug. 2002. Foreign partners from the universities of Prague, Ljubljana and Vienna, and the Central Banks of Hungary and Poland.
- **Labour Market Adjustment in Estonia: Microeconomic and Macroeconomic Aspects** (Phare-ACE project no P97-8093-R) Duration 1999–2001. Estonian partners Dr. Raul Eamets and Dr. Kaia Philips. Project leader Dr. H. Lehmann from Herriot-Watt University (UK), other partners

Prof. J. Wadsworth from the London Business School and Prof Ch. Schmidt from Heidelberg University.

- **Foreign Banks Entry and Economic Transition** (Phare ACE project P98-1092R). The project lasted from 1998–2001. From the Estonian side participated Prof. Mart Sõrg and PhD student J.Uiboupin. The project ended with a conference in Tallinn in spring 2002
- Recently the application of Prof. Varblane was approved in the framework of the EU Programme "Structuring the European Research Area – Human Resources and Mobility" Marie Curie Host Fellowships for Transfer of Knowledge (ToK). The project's title is **"Technological Knowledge Transfer Partnership Between the University of Tartu (Estonia) and Zernike Group (Netherlands)"** The project lasts 2004–2006.

The general purpose of the project is to facilitate liaison between the research done at the University of Tartu and the commercial application of the research results by Estonian and EU companies. The projected partnership between the University of Tartu (Estonia) and Zernike Group (Netherlands) has the following objectives:

- To enhance the competence of experienced researchers from University of Tartu by training them at Zernike and its affiliates in the following fields:
- a. Commercialisation of scientific results into marketable products;
- b. Protection of intellectual property via licensing and patenting procedures;
- c. Financing and consultancy to early stage companies;
- To facilitate the competence in screening the market potential in case of emerging innovative solutions and products;
- To increase the possibilities for global marketing of the products and services developed by the researchers of

Tartu University via using the extensive corporate network of the Zernike Group;

- To develop, using the experts and scholars from Zernike, at the University of Tartu post-graduate and other schooling programmes in the fields of entrepreneurship and technology.

6.2.2. Co-operation with international institutions, organisations and grant providers

Our Faculty staffs actively participate in international networks. In 1996–2002, teachers of the Faculty of Economics and Business Administration have been individually involved in more than 60 co-operation projects that have mainly been financed by international organisations like ILO, UNDP, OECD, IMF, European Foundation (EF), European Training Foundation (ETF), European Trade union Institute ETUI).

Next we present a list of selected projects:

- **Central and Eastern Europe in the EU Enterprises' Strategy of Industrial Restructuring and Reallocation.** *Project in co-operation with the ETUC (European Trade Union Confederation).* Duration 2000–2001. The partners were from ten transition countries. The project leaders were G. Gradev ja D.Vaughan-Whithall (ILO). The Estonian group leader was Prof.U.Varblane with Ph.D. student E.Reiljan.
- **Economic and Social Implications of Exclusion of Transition Economies from the EU Enlargement** *(Economic and Social Research Council — UK),* duration 1999–2000) Group leader: Prof. Saul Estrin (London Business School), partner in Estonia Urmas Varblane. Other partners are from the UK, Italy, Croatia and Poland. This project is part of a bigger one financed by the Economic and Social Research Council "One Europe or Several?" co-ordinated by Sussex University.

- *ILO* **Country Report on Labour Market Flexibility and Employment and Social Security: Estonia.** Project dates: March 2000 – July 2000. The Estonian team leader Dr. Raul Eamets, associates J. Järve, R. Leetmaa, E. Kallaste.
- *ETF (European Training Foundation)* **Candidate Country Monographs: Overview of Estonian Vocational Education, Adult training and Employment Policy.** Project dates May 2001–Feb. 2002. The team leader H. Zelloth (ETF), partners R. Eamets (Tartu University), T. Annus (National Observatory of ETF), H. Fragoulis. (ETF), T. Dodd (ETF).
- *OECD project* **"Baltic States' Labour Market Review".** The project dates: June 2001–Nov.2001. The team leader A. Reutersward (OECD), partners M. Hazans (Latvian University), R. Eamets (Tartu University), J. Earle (Upjohn Institute for Employment Research, US).
- *ETUI (European Trade Union Institute)* **Overview of Social Dialogue and National Employment Action Plan in Estonia in the Context of European Employment Strategy.** Project dates: March 2002–July 2003. The team leader M. Celin (ETUI), partners from six CEE countries, the Estonian expert R. Eamets with association of E. Kallaste.
- *The Catholic University of Louvain and the Commission of the European Communities (DG Employment and Social Affairs).*The project title: Studies on the representativeness of the social partners at sectoral level in the European Union and monographs on the situation of the social partners in the candidate countries". The project dates: Feb.2003 – Dec. 2003. The partners come from 10 accession countries. The Estonian experts K. Philips and R. Eamets

In 1998, on the initiative of Manchester University, a *European Network for Research into Organisations and Accounting Change (ENROAC)* was organised, joining researchers from 16

countries. The Chartered Institute of Management Accountants (CIMA), U.K, supports the network. The only representatives of Estonia in this network are Prof. T. Haldma and Ph.D. student K. Lääts. The network has organised international conferences **Management Accounting Change – A European Perspective** in Manchester (1999), in Oslo (2000), in Siena (2001) and in Gröningen (2003). The papers concerning management accounting change in Eastern European countries were presented by T. Haldma (1999, 2003) and K. Lääts (2000, 2003).

In 1999–2001, Prof. Sõrg and Prof. Sepp with their PhD students participated in the project **"Baltic-Nordic Network for Research on Bank and Finance"**. In the framework of the project, PhD students and MA students from Tartu had joint seminars with the students of the Uppsala University Faculty of Social Sciences. Altogether five joint seminars were organised, three of them in Estonia. During the seminars the students presented their papers and learned how to write internationally publishable articles.

NORFA (Nordic Grant Scheme) has supported the collaboration between Tartu University and the Stockholm School of Economics through a visiting professorship granted to Professor Ari Kokko. The programme lasts 2002–2006. Professor Kokko has taken part in the following activities in 2002/2003:

- In July 2002, Prof. Kokko participated in the summer school for doctoral students at Kääriku, Estonia, acting as the main commentator on papers presented by PhD students. He also presented a paper entitled "From Natural Resources to High-Tech Production: The Evolution of Industrial Competitiveness in Sweden and Finland".
- In February 2003, Prof. Kokko delivered a doctoral course on "The Asian Economy". This course covered various topics and recent developments in East Asia, focusing both on the "Asian Miracle" and the consequences of the crisis

that hit the region in 1997. In total, the course covered about 20 lecture hours.

For the future, we plan the following activities:

1. Preparing special seminars about research methodology. In this seminar, besides the theoretical part a very important role is on the critical analyses on the basis of the rich experience of the professor gained when working as a referee in many international journals.

2. Working as the main referee during the next doctoral students' summer school in 2004: He presents lectures about his recent research projects and gives recommendations to doctoral students on an individual basis.

3. Analysis of the on-going research projects of the Faculty of Economics and Business Administration in the area of his expertise. Joint papers are planned to have been prepared by 2004.

4. During the second and third year, the visiting professor will be employed more extensively as co-supervisor to several doctoral students dealing with the problems of foreign direct investments and the economic development of Estonia.

In 2003, the Finnish Postgraduate Programme in Economics (FPPE) initiated a grant proposal to NORFA. NORFA is a grant scheme for academic cooperation in the Nordic countries. The programme is called "Nordic Network in Economics", and FPPE is the host institution of this network[8]. The network consists of different universities around Scandinavia (Aarhus, Helsinki, Stockholm, Tartu, Tallinn Technical University, etc). The application was successful, and the programme will start from the beginning of the year 2004. This network would develop co-operation in doctoral training in economics and support three types of activities — travel grants for doctoral students in order to participate in courses in the

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[8] See also web-site: www.hecer.fi/NNE

other Nordic countries, travel grants in order to participate in the workshops and seminars in the other Nordic countries, and also it is planned to organise a summer school once a year.

Two of our PhD students participated in the Nordic International Business PhD programme during the period of Jan. 2002 – Dec. 2003 and students had to take 7 doctoral courses. The total number of students who participated in this programme was 25. They came from the Nordic countries, Holland, and the Baltic Countries. Nordic Council of Ministries covered all the costs of the programme. Part of the travelling costs was co-financed by our Faculty.

6.2.3. Bilateral and multilateral co-operation with partner universities

With German universities co-operation covers joints master's degrees and the exchange of students and Faculty members. According to an agreement between the FEBA and the Business School of Europe (Berlin), after a successful completion of the first year, students can continue their studies in Germany. The third term involves practical work experience in German enterprises, while the fourth term is spent on studies in Berlin. The master's degree awarded is officially recognised in Germany. Up to now five students have used this opportunity and one of them is planning to defend the master's project in Tartu and thus obtain the MA from Tartu University as well. In autumn 2003 two students took up their studies in Germany. The co-operation has been successful so far: the students themselves have been satisfied and they have managed to complete their studies in time.

Co-operation between the FEBA and the Faculty of Economics and Business Administration of the University of Hagen started in Spring 2003. On the initiative of the University of Hagen, a joint programme for MA level students has been developed. According to the agreement, master students of both universities have the opportunity to accomplish a part of

their compulsory study programme at the partner university, as a result of which they will get a master's diploma from both universities. Representatives of both faculties have met several times to discuss the details of a joint study programme. As a result of that, agreement for co-operation between the two universities was signed in September 2003.

The FEBA has another agreement with the University of Greifswald (Institute of Economics, Prof. A. Rohde). The agreement covers the research topic "Integration of Estonia into the European Union and the European Monetary Union", but also involves exchange of researchers, joint publications, etc.

The FEBA has co-operation (but no formal agreement) with other institutions in Germany as well, for example, Leipzig University (Prof. R. Hasse), Hamburg University (Prof. M. Funke), Hamburg Bundeswehr University (Prof. W. Schäfer), Potsdam University (Prof. W. Fuhrmann), HWWA-institute (Hamburg) (Dr. A. Polkowski) and IFO-institute (München) (Dr. U. Chr. Täger).

Co-operation with Finnish universities has become more intensive during the last 3–4 years. There have been three joint Tartu–Helsinki research seminars, at whish the Faculty members presented their papers and created academic contacts. Helsinki University have been very active in supporting our PhD students via the framework of EuroFaculty (a more detailed overview is presented in the next section). Finnish co-operation is oriented mostly towards supporting our Faculty's PhD programme.

Since 1996, our Faculty has had co-operation with the Seinäjoki Polytechnic Finnish College. The project's title is "Doing Business in Finland and her Neighbouring Areas". Our professors Sõrg and Raudsepp have lectured each year in Seinäjoki, their topic having been "the Entrepreneurial environment in the Baltic Countries". Every year our Faculty

members host a group of Finnish students in Tartu as well. The students have field trips to firms, listen to lectures about the Estonian economy, etc.

Prof. Sõrg has also co-operation with Lappeenranta Technological University (Prof. Liuhto, Prof. Tiusanen) and with Vaasa University. This co-operation covers joint publications, exchange schemes and joint seminars.

6.3. Co-operation within Estonia

Although pursuing academic goals in education is one of the ambitions of the FEBA of the UT, the lecturers are far from being isolated from the real life. Some of them have direct contacts with the business practice by being involved in the development of small size enterprises, three of the present faculty members are members of the Council of the Bank of Estonia (one of them is the chairman). The lecturers keep regular contacts with several Ministries (for instance, the Ministry of Finance, the Ministry of Economic Affairs, the Ministry of Social Affairs, and the Ministry of Education) and issue joint publications with the employees of the above-mentioned establishments. The Tartu-FEBA is a member of the Estonian Chamber of Commerce and Industry. Contacts with practitioners enable gathering information about the quality and content of the education provided and its applicability to the demands of the labour market.

To summarise, we can talk here about different levels of co-operation as well.

- First, the Government and Governmental institutions (Bank of Estonia)
- Secondly, non-governmental institutions, such as trade unions, the Estonian Chamber of Commerce, etc.
- Thirdly, other research institutions, e.g. the centre for policy studies PRAXIS, Tallinn Technical University;

- Fourthly, the business community, various enterprises.

Next a few examples of our recent co-operation projects are provided:

- In 2002, two joint projects with the EU Integration Bureau "Influences of joining the European Union on the wages and free labour mobility in Estonia" (team leader Dr. Phillips) and "The education system and changes in the Estonian labour market: new prospects and challenges after EU accession" (team leader Dr. R. Eamets).
- In 1999 our Faculty had a contract with the Estonian Ministry of Foreign Affairs. The research topic was: **"The impact of changes in Estonia's trade regime with Latvia, Lithuania and the Ukraine on the Estonian manufacturing industry"**. The team leader was Prof U. Varblane, the members were PhD student K. Toming, master students J. Järve, S. Anspal, A. Ivanov and T. Veisson.
- Prof Varblane had also a contract with the Estonian Ministry of Agriculture for investigating the topic **"The impact of changes in the trade regime after joining the EU on food prices in Estonia"**. The research team were PhD student K. Toming, and master students R. Selliov, H. Riik, and D. Tamm. The project time was 2000–2002.
- The research group of the Chair of Accounting has carried out several surveys of Estonian companies. They received a Research Grant (contract) from the Eesti Telefon Company (in 1999–2000) for the topic **"Improvement and Redesign of the Management Control System used by the Eesti Telefon Company"**, (the principal investigator was Assoc. Prof. T. Haldma, and the research team was composed of 1 lecturer, 1 PhD student, and 4 undergraduate students.
- They got another Research Grant from the United Dairies Group, one of the largest dairy products manufacturers in Estonia, (for 1998–2000) for the survey **"Improvement**

and Redesign of Product Costing and Performance Measurement in the companies of the United Dairies Group" (the principal investigator was T. Haldma, the research team consisted of 1 junior lecturer, 1 PhD student, and 10 undergraduate students).

- In 2002–2003 this research team worked in the Krenholm Group, one of the largest textile manufacturers in Europe. The topic of the research project was **"Improvement and redesign of the costing methods and internal reporting system in the Krenholm Weaving entity"**. The principal investigator was prof. T. Haldma.
- This was not the first time for our Faculty members to investigate this particular company. In 1996–2000, the Faculty launched the project **"Krenholmi Valduse AS- the case of transitional economy"**. The partner in this project was Linköping University (Sweden). The principal investigator J. Ljung and our Prof. M.Vadi worked as senior personnel from Estonia's side. The Swedish Institute financed the project; 5 undergraduate students got an opportunity to study for a term in Sweden and 15 students could attend seminars in Sweden as the result of this project.

Many of our researchers are individually involved in various research projects. For example, with the centre for policy studies PRAXIS (Philips, Eamets, Võrk), the Bank of Estonia (Võrk), or have been consultants or experts for the State Audit Office (Haldma, Phillips, Eamets) or the State Court (Trasberg). These are only a few examples of co-operation.

6.4. Internationalisation of curricula and research

6.4.1. EuroFaculty activities in the Faculty of Economics and Business Administration

In the mid 90s it became obvious that the future of the FEBA in general and its success in developing modern research teams

in particular depends on the ability to prepare a new generation of academics. This has been in the Faculty's focus of attention during the last five years. In order to generate the new academic staff, several steps were planned. Most important of them was taken in autumn 1996, when together with the EuroFaculty[9] a new master's degree programme in economics was launched under the title Economics Fellowship Programme, which was the first master's programme in economics ever started in the Baltic countries.

The general aim of the Fellowship Programme in economics is to prepare highly qualified economists for Estonia, both for academic and governmental institutions. In the framework of the programme, lecturers from Finland, Denmark and Germany work together with the local Faculty staff to provide courses according to the Western academic standards. An important part of the programme is the introduction to the students of internationally accepted academic methods of research work and how they are used in the research process. The programme pays close attention to developing contacts

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[9] The Council of Baltic Sea States (CBSS) established the EuroFaculty in 1993 and participants are the Commission of the EU, all the Scandinavian countries, Germany and three Baltic countries. The participating institutions in the Baltics are Tartu University, Vilnius University and the Univesity of Latvia. The University of Bergen, the Norwegian School of Economics and Business Administration, and Oslo University, the Warsaw School of Economics, Aarhus University, the Univesity of Helsinki, Münster University, Hamburg University and Kiel University co-operate with and support the work of the EuroFaculty by providing teaching staff, library resources, computing expertise, hosting the Baltic staff and students on their mobility visits, and providing many other collegial services. The Directorate of the EuroFaculty is located in Riga, while Centres operate at each of the three participating Baltic universities. The core of the EuroFaculty programme is preparation of academic staff through a long-term, sustained presence.

between the foreign teachers and local students in order to establish long-term academic relations.

The EuroFaculty Economics Fellowship programme is an integral part of the master's programme of the FEBA. The master's programme consists of two parts: taught courses and writing the master's thesis. Initially all the courses were introduced by foreign lecturers and step by step the local teachers took them over. Today only three courses on the master's programme are still taught by foreigners. These are The History of Economic Thought by prof Todt from Germany and advanced macroeconomics and advanced public finance by dr Karsten Staehr from Norway.

Our faculty has been very content with the general performance of the Economics Fellowship Programme and other activities initiated by the EuroFaculty. Simply the fact that before this programme was launched we had one or two master's degree defences per year and today there are about 12–15 defences can illustrate the changing situation. Since 2001 the EuroFaculty has modified its objectives and now the focus is more on developing the PhD programme.

There are three types of activities provided by the EuroFaculty today: short-term intensive courses, grants and scholarships for PhD students, and the research network.

Foreign lecturers provide regular and short-term intensive courses (see Table 6.1) Short courses are usually only two weeks long and the time spent in class are between 20 and 26 hours. The reason why we decided to use the format of short-term intensive courses in PhD studies is mostly practical. From the point of view of programme quality, it is important to bring to Tartu prominent professors who are among the best in their field (Prof. Hylleberg, prof. Paldam and Prof Koskela among the others). Unfortunately these persons are so busy with different obligations that they cannot afford to stay abroad for long. Short-term courses help PhD to acquire new knowledge

within a very short time in a concentrated way. Especially senior students are preoccupied with their research projects and teaching obligations which make it sometimes difficult to participate in regular classes.

Today the EuroFaculty provides two types of grants for PhD students: the Fide team and EuroFaculty PhD grants.

The University of Helsinki initiated the Fide Team programme in 2001. The aim of this programme is to support financially Ph.D. students in economics, as they form the future generation of teaching staff of the Faculty. Recruitment is organised every semester. Ph.D. students submit the proposals that will be evaluated and approved by the FEBA, the EuroFaculty and the University of Helsinki. The total amount of grant is about 500 EUR per month. In total, 23 PhD students have received this grant. As one can see, many of these students have received this grant several times. If we analyse this list, we can say that these PhD students are most committed to an academic future and are closely connected with the Faculty's research projects and teaching activities.

The EuroFaculty Directorate has awarded the EuroFaculty PhD grants since 2003. The total amount of the grant is 10,000 EUR per year and student should stay for six months at one of the universities of his/her choice in Denmark or the Netherlands. In order to get the grant, the Ph.D. students have to submit research proposals that will be evaluated and approved by a special international committee appointed by the EuroFaculty. Competition is open to all three Baltic universities affiliated with the EuroFaculty programme. So far, Estonian PhD students have been the most successful. They have got all the grants in the field. Usually there is one grant for one discipline (the other supported disciplines being law, political science/public administration). In total, four of our PhD students have been awarded this grant: Katrin Tamm for Spring/Autumn 2003, Kristina Toming for Autumn/Spring 2003/2004,

Toomas Hinnosaar for Spring/Autumn 2004, Kairi Andresson for Spring/Autumn 2004.

Table 6.1. Short courses for PhD students in 2001–2003

Topic	Lecturer	Lecturer's home institution	Teaching assistant (our PhD students)	Time
Applied Econometrics	Prof Gustav Kristensen,	South Denmark University, Odensee	Andres Võrk	Spring 2001
Financial Markets	Prof Michael H.J. Staehr	University of Aarhus	Katrin Tamm	Spring 2001
Time Series Econometrics	Prof Svend Hylleberg	University of Aarhus	Andres Võrk	Autumn 2001
Public Choice	Prof Martin Paldam	University of Aarhus	Katrin Tamm	Autumn 2001
Monetary Union, Labour Markets and Fiscal Policy	Prof Erkki Koskela	University of Helsinki	Katrin Olenko	Autumn 2002
Money and Banking	Dr Riku Kinnunen	The University of Liverpool	Janek Uiboupin	Autumn 2002
International Macroeconomics	Prof Sheetal K. Chand	University of Oslo	Riia Arukaevu	Spring 2003
	Prof Albert Steenge	University of Twente		
	Kai Leitemo	University of Oslo		
Advanced Microeconomics	Prof Hannu Vartiainen	University of Helsinki	Rait Raal	Autumn 2003

The EuroFaculty has a long tradition of joint semester meetings and conferences. Between 1995 and 2001 every semester and since 2002 once a year the local academics of the Faculty plus foreign lecturers have got together and discussed the current economic issues and methodological questions. There have always been sessions at which the Faculty members and PhD students have presented their papers.

Based on this cooperation, some research projects have been implemented. For instance, R. Eamets (Tartu) and M. Hazans (Riga) participated together in the OECD Baltic labour market overview project. There are plans to develop in the future a network of Centres of Excellence based on the EuroFaculty's links and connections. On the side of Tartu, two potential centre ideas have been proposed: the Baltic Centre of Labour Studies (team leader R. Eamets) and the Centre of Internationalisation of Baltic Economies (team leader U. Varblane).

The EuroFaculty also initiated the first peer-reviewed economics journal "The Baltic Journal of Economics" in region. Three issues of the journal have published, and work is in progress on the next two. Editors are from the three Baltic universities covered by the EuroFaculty, namely, R. Eamets from Tartu, M. Hazans from Riga and J. D. Hansen from Vilnius. This journal gives a good opportunity to publish high-quality research papers by Baltic academics, including economists working in Tartu.

6.4.2. PhD programme: students' feedback and international relations

In Autumn 2002 a survey was conducted by the FEBA among its PhD students. We asked how many individuals had participated in foreign programmes, what the reasons were for non-participation, etc.

23 out of 43 PhD students responded. Some of the results are given below:

- 12 students out of 23 have participated in different courses abroad, mostly in the Nordic countries. Altogether 29 different courses were taken.
- The funding came from the EuroFaculty, NORFA (Nordic countries), Kataja (Finland), Helsinki University, CEU, and others.
- The biggest contributor was the FEBA. During their studies (four years), the PhD students can use about 100, 000 EEK for trips, library visits, etc. Every time the Faculty Board decides case by case whether to support a particular application or not. The support is never extended automatically. Those PhD students who have close links to the Faculty (whether through research or teaching) will get preference.
- 15 PhD students (from 23) participated in conferences abroad (altogether 56 conferences).
- 20 PhD students (from 23) have published academic articles (not incl. newspaper articles), mostly in conference publications or non-refereed journals – 202 publications all together.

The major problems, according to the survey are:

- PhD thesis supervision. For lack of human resources there are not enough highly qualified supervisors. Very good professors or associate professors are too busy with all kinds of activities (research, teaching and administrative duties). They (supervisors) know general topics well, but have problems with specific topics.
- Insufficient number of high-quality courses (especially in business administration). Our local professors run few PhD courses. Most courses are based on foreign teaching.
- Many PhD students are either overloaded with teaching obligations or must work to support themselves.
- Too much freedom in the programme (too many optional courses, different possibilities abroad, etc).

- Not enough information about other PhD students' topics (the only place they meet one another is the summer school).

There were questions concerning the deadlines and potential time of defence. 12 out of 23 students thought that they would complete their studies on time, 7 students were convinced that they would not be able to complete on time, and the rest did not know. As a rule, first and second year students were more optimistic about graduation.

It can be concluded that the major problem is that 2/3 of the new PhD students are business students, not economics students, so the Faculty should think about specialised courses for them as well.

CONCLUSIONS AND IMPLICATIONS

In what follows we try to summarise the strengths and weaknesses of the FEBA as well as provide some feasible suggestions about how to solve the problems that have arisen. Our general target is to guarantee the quality of the tuition process and curricula.

We consider the strengths of Faculty to be as follows.

- **Compliance with the principle of *universitas*.** Being the only classical university in Estonia, our curriculum is complex, comprehensive and interdisciplinary. In keeping with the principle of *universitas*, the FEBA engages academics from other faculties (mostly those of mathematics, social studies, and law) in its teaching process.
- **Research-based study process.** Our long academic traditions enable us to integrate the processes of research and study. All the academic positions are filled on a competitive basis and contracts of employment are signed for a fixed period. Guaranteeing high professional qualification of the teaching staff involves as its main objective guiding the academic staff towards research, because only an academic person who has capability for and inclination towards research can be a competent instructor at the university.
- **Flexible curricula.** A variety of possible areas of concentration enable students to select combined courses and thus become more competitive in the labour market. The underlying principle is that the provided education must be as universal as possible and as specialised as necessary. In the conditions of a small country, overly narrow specia-

lisation is detrimental to individuals, diminishing their chances in the labour market.

- **Transparency of the study process**. Clearly defined requirements and well-administered operation guarantee transparency of the whole study process. Our students' feedback shows that they appreciate highly the content and administration of our programmes.
- **Good co-operation at the international and domestic levels**. Our researchers are increasingly incorporated into international academic networks; bilateral co-operation with foreign universities is increasing. International co-operation involves all levels of the FEBA activities: undergraduate and graduate students, academic staff, curriculum development and research activities. Also co-operation with the Estonian public sector and non-governmental organisations and universities is expanding.
- **Resources.** The tuition process is covered with qualified academic and technical staff. All the courses are provided with a sufficient amount of either teaching materials in the native language or international textbooks. The technical infrastructure (computers, data projectors, access to electronic databases like J-Stor or EBSCO, etc.) supports the study process effectively. Non-governmental financial resources (mostly tuition fees) enable the Faculty to overcome the insufficiency of governmental resources.

In Turn, the weaknesses of the Faculty are.

- **Overloaded academic staff**. As the number of students has substantially grown with the implementation of the new programmes, the Faculty members are working under much greater strain than in normal circumstances. This is evidenced by the fact that our students per lecturer ratio and the number of credits given by each lecturer are both twice as high as the respective all-university average indicators.

- **Poor governmental financing**. Decrease of the government-financed tuition income reduces the financial stability of the FEBA and puts its future-oriented operation under a certain pressure and financial constraints.
- **Unbalanced proportions of the empirical and theoretical approach**. The students' feedback has shown that there are complains concerning the share of practical skills and knowledge in the curriculum, which is insufficient, in particular in the area of business administration. Some courses are often "overly theoretical" due to the fact that in the business administration the lecturers' practical skills are scant. On the other hand, in the field of economics, the graduate students are mostly directed to empirical topics and there are no theoretical papers submitted by them. This is also evident from the PhD theses: often the theoretical part is only weakly linked to the empirical parts.
- **Heterogeneity of students**. The small groups of students studying on the state-financed places are very bright and well motivated, while the students who pay fees are both much less motivated and less skilful. This creates a discrepancy in the classroom and leads to difficulties in organising the teaching process (how to select the target group) and may consequently lead to a lowering of the academic requirements.
- **Insufficient governmental study subsidies system**. State-guaranteed study loans are too low and can in most cases only cover the tuition fee, but not the living expenses. The number of the grants offered by the state is very small and therefore most students at all levels of study are forced to work, which shortens the time they can devote to studies.
- **Shortage of internationally distributed high-quality publications.** Due to their high teaching load in the "old programmes" and increasing work load in the new study programmes introduced in the last five years, the academic staff of the Faculty has become exceedingly overloaded

with teaching activities, which makes it difficult for them to concentrate on research. Sometimes lack of experience and low self-confidence also keep people back from submission of articles.

Next we will make some suggestions about how to solve the abovementioned problems.

- Firstly, the Faculty contributes a sum of 6.4 thousand euros per student towards PhD students' visits to libraries and research centres in the western countries. In every particular case the Faculty will decide whether to support a particular student's application or not. The support is never extended automatically. Those PhD students who have closer links with the Faculty (whether through research or teaching) should be preferred.
- Secondly, the Faculty has also highlighted the problems with supervising PhD theses. Foreign support to Tartu could provide the input here in several ways. For instance, there are plans to involve Finnish professors, inviting them to participate in the annual PhD Summer School organised by the Faculty every July. The Summer School is built up on PhD students' presentations followed by active discussions. The idea is that foreign professors act as opponents, providing critique and advice at the seminars and also make presentations themselves on crucial issues. We strongly recommend that PhD students get co-supervisors from universities outside Estonia.
- Thirdly, our performance measurement system needs further analysis and improvement in order to make it more teacher-friendly and thus reduce the overload of our staff.
- Next, the last years have seen a remarkable growth in the number of international publications. The progress in publications is obvious: in the middle of the 1990s we witnessed a shift from popular-scientific articles to serious research publications in Estonia. However, in most cases they are conference proceedings or joint working papers,

while the number of peer-reviewed articles in the leading journals of the field is very small. It is only during the last few years that a new stage in the development of research in FEBA has started, where a shift from non-peer-reviewed articles to the peer- reviewed publications is more evident. So the main task of the Faculty is to provide both material and moral support in order to increase the number of publications. One possibility would be to implement a special bonus system, encouraging publication in peer-reviewed international journals.

- Once during the five-year working period, the academic staff has the right to a sabbatical semester, when they can concentrate on research. The Faculty guarantees that within the framework of our efforts measurement system, people will not lose their income in the following year.
- More co-operation with the business community means also more research and consulting contracts. In 2003, the Faculty together with the University created the Centre of Entrepreneurship at the Institute of Technology. The main task of this Centre is to involve companies and link research activities with actual business life. Better liaison with business also means that the Faculty should employ more lecturers with practical business experience.
- Finally, the Faculty should improve its image in the public eye and make itself more attractive to the public. Better publicity and stronger marketing might allow us to get brighter students also to the fee-paying study places and further our relations with the business community. Especially in the field of business administration some private business schools in Tallinn are enjoying a better reputation now than our Faculty.

To conclude, we now introduce the main conclusions of international accreditation committee:

"Curricula goals are well formulated. All three (see Chapter 2) Curricula enable students to obtain general and specialised education with sufficient professional skills.

We recommend to re-examine the balance between the core of the PhD programme and the optional modules.

We support intention to develop further research groups, including leading faculty members, PhD students and perspective Master degree students, with an aim to create a new generation of academicians.

We support plans to enlarge a faculty library space, to create a students' room, which would provide for them better facilities to spend a time between lectures and to communicate; and in collaboration with other faculties and university administration to find larger lecture halls (200 seats).

Research is too much concentrated on local policy issues (PhD thesis titles, publications by the staff, involvement in projects). To increase research level it is recommended to widen theoretical research topics and to collaborate more actively with other academic research centres in Estonia (Tallinn University of Technology etc.) There is an obvious need in the future to organise the PhD programme in a wider (consortium) context e.g. together with Tallinn University of Technology." The expert committee suggested full accreditation of Bachelor, Master, and PhD programmes described in Chapter 2.

APPENDICIES

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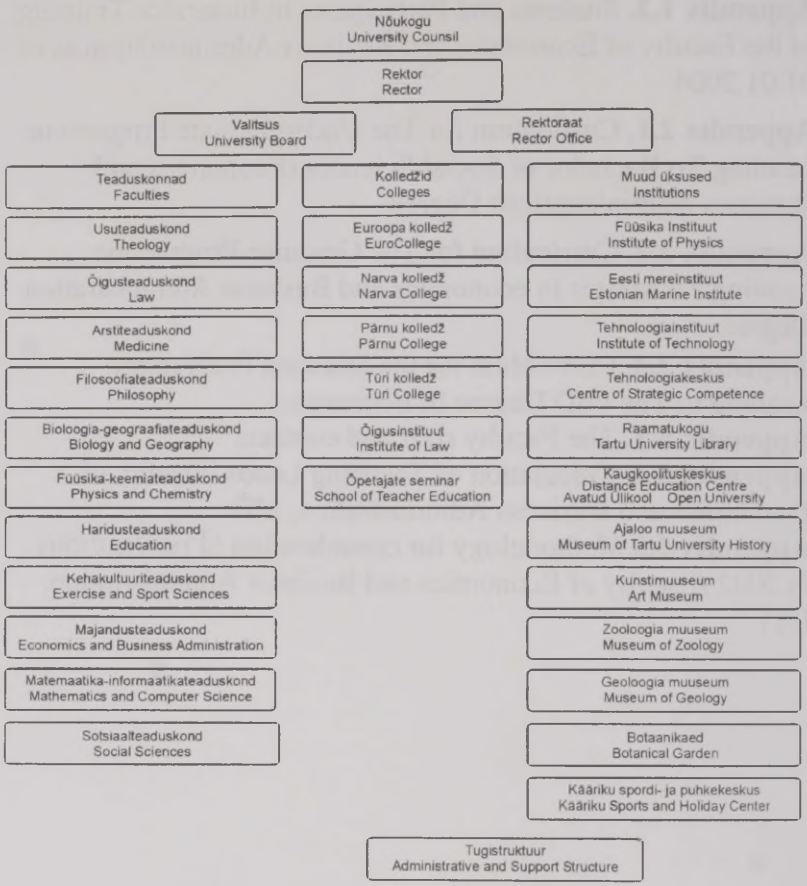
Appendix 1.1.

The Structure of the University of Tartu



Rektoraat seisuga 31.12.2003		Rector's Office
Rektor	prof Jaak Aaviksoo	Rector
Õppeprorektor	prof Tõnu Lehtsaar	Vice-Rector for Academic Affairs
Arenduprorektor	prof Ain Heinaru	Vice-Rector for Intellectual Development
Prorektor	prof Jaak Kangilaski	Vice-Rector
Akadeemiline sekretär	Ivar-Igor Saarniit	Academic Secretary
Administratsioonidirektor	Reet Mägi	Director of Administration
Finantsdirektor	Taimo Saan	Finance Director
Haldusdirektor	Riho Illak	Managing Director

Appendix 1.2.

Students and Participants in In-service Training of the Faculty of Economics and Business Administration as of 01.01.2004

Specialty	Source of financing		Total
	State budget	Legal or physical person	
DIPLOMA PROGRAMME Business Administration (open university)	0	215	215
BACHELOR'S PROGRAMMES	327	402	729
Economics and Business Administration (full-time study)	109	172	281
Economics and Business Administration (open university)	0	140	140
Economics	101	4	105
Business Economics	117	86	203
MASTER'S PROGRAMMES	115	310	425
Economics (MA)	105	5	110
Economics and Business Administration (open university)	0	88	88
Entrepreneurship and Technology Management (open university)	10	44	54
Business Administration (open university)	0	173	173
DOCTORATE PROGRAMME Economic science	48	4	
IN-SERVICE TRAINING Intense course in Business Administration (open university)	0	29	29
TOTAL	490	960	1450

Appendix 2.1.

Curriculum for The Undergraduate Programme Leading To Bachelor of Social Sciences (Economics and Business Administration) Degree

Passed by the Council of the Faculty of Economics and Business Administration on 17 June 2001	Passed by the Council of Tartu University on 28 September 2001 Officially recorded entry # 58
Curriculum title	Economics and Business Administration
Academic subject area	Social Science
School: University of Tartu	**Faculty**: Economics and Business Administration
Version: 2	**To be reviewed and updated:** 19 February 2003
Curriculum code:	

Bachelor's programme
Credits yielded: 120
Length of academic course: 3 years
Reference to Curriculum accreditation:

Admission criteria: Secondary school education from Estonia or its equivalent from abroad.

Brief overview: The compulsory foundation stage of studies (32 credits) comprises two first level modules (à 16 credits), one of which is shared by all the social studies curricula. At the directional level of studies, the students can choose two modules (à 16 credits) out of four and at the level of their specialism studies (32 credits) two modules out of six. The choice of specialism modules depends on the directional modules chosen. Three optional modules (à 4 credits) can be chosen from any of the university curricula. To these can be added the elective subjects of one's choice (8 credits) and a graduation thesis (4 credits).

Objectives: To facilitate acquisition by students of the essential knowledge of economics and business indispensable for embarking on theoretical research and practical careers.

Certification: graduates will receive Bachelor's Diploma and personal academic transcript.

Degree to be conferred: *Bachelor of Social Sciences* (in Economics and Business Administration)

Subjects and courses

Code No	Courses	Credits	Examination or Prelim
	COMPULSORY BASIC ACADEMIC PROGRAMME	**32**	
	General orientation courses (required)	**16**	
	Basics of Economics and Business Administration	4	
MJJV.08.001	Introduction to Business Administration	2	E
MJRI.07.104	Introduction to Economics	2	E
OIAO.06.031	Introduction to Law	4	E
SOPH.00.280	Introduction to Socio-Cultural Psychology	4	E
SOSS.01.060	Basics of Sociology	4	E
	Core Economics and Business courses (compulsory)	**16**	
	Basics of Business Administration	4	
MJJV.03.115	Basic Management	2	E
MJRA.01.056	Basics of Accounting	2	E
	Basics of Economics	4	
MJRI.07.108	Macroeconomics	2	E
MJRI.03.055	Basics of Economic Policy	2	E
MTRM.04.013	Mathematics	4	E
MTMS.02.027	Probability and Mathematical Statistics	2	E
MJRI.07.096	Principles of Mathematical Economics	2	E
	MAJORS	**32**	
	Methodology of Economics (joint subject directional module)	**16**	
MJRI.02.053	Research Methods	2	P
MJRI.01.024	Statistics	2	E

Code No	Courses	Credits	Examination or Prelim
MJRI.02.001	Econometrics I	2	E
MJRI.02.052	Quantitative Methods in Economics	2	E
MJJV.08.003	Business Information Systems	2	P
MJRI.03.052	Economic History	2	E
MJJV.08.048	Basics of Strategic Management	2	E
MJ	Individual Project (Methodology of Economics)	2	Graded Prelim (GP)
	Economics (alternative compulsory directional module for a speciality option)	**16**	
MJRI.07.025	Microeconomics	3	E
MJJV.03.109	Management	3	E
MJRI.08.025	Public Finance	2	E
MJRI.08.026	Fundamentals of the European Integration	2	E
MJRI.01.025	Statistics for Economics and Social Sciences	2	P
MJRI.03.053	Institutional Economics	2	E
MJRI.07.117	Macroeconomics	3	E
	Business Administration (alternative compulsory directional module for students who select either the module of finance and accounting or the module of management and marketing)	**16**	
MJRI.07.025	Microeconomics	3	E
MJJV.03.109	Management	3	E
MJRA.01.057	Accounting	2	E
MJRA.03.066	Financial management	3	E
MJJV.02.001	Marketing	3	E
MJRI.03.054	Business Environment	2	E

Code No	Courses	Credits	Examination or Prelim
	COMPULSORY SPECIALISM MODULES	**16**	
	ECONOMIC THEORY (compulsory for those opting for national economy directional module)	**16**	
MJRI.08.027	International Economics	3	E
MJRI.08.032	Public Economy	2	E
MJRI.07.105	Industrial Organisation	2	E
MJRI.07.106	Labour Economics	2	E
MJRI.03.056	Thery of Economic Policy	3	E
MJRI.02.051	Operations Research	2	P
MJRI.01.026	Research and Data Analysis Methods in Economics	2	P
	Finance and Accounting (compulsory alternative for those selecting the business economics directional module)	**16**	
MJRA.02.044	Money and Banking	2	E
MJRA.02.045	Banking Services and Management	2	E
MJRA.03.060	Corporate Finance I	2	E
MJRA.03.061	Investments and Securities Analysis I	2	E
MJRA.01.059	Financial Accounting I	3,5	E
MJRA.01.050	Business Analysis	2,5	E
MJRA.01.046	Managerial Accounting	2	E
	Management and Marketing (compulsory alternative for those selecting the business economics directional module)	**16**	
MJJV.02.060	Marketing Research	3	E
MJJV.02.070	Strategic Marketing Management	2	E
MJJV.02.071	Marketing mix Strategies	3	E

Code No	Courses	Credits	Examination or Prelim
MJJV.08.005	Organizational Theory	2	E
MJJV.03.110	Organizational Behaviour and Leadership	3	E
MJJV.07.019	International Business	3	E
	MINOR MODULES	**16**	
	Economics (minor subject)	**16**	
MJRI.07.117	Macroeconomics	2	E
MJRI.08.025	Public Finance	2	E
MJRI.08.027	International Economics	3	E
MJRI.01.025	Statistics for Economics and Social Sciences	2	P
MJRI.03.053	Institutional Economics	2	E
MJRI.03.056	Theory of Economic Policy	3	E
MJRI.08.026	Fundamentals of European Integration	2	E
	Business Administration (minor subject)	**16**	
MJJV.07.019	International Business	3	E
MJRA.01.057	Accounting	2	E
MJRI.03.054	Business Environment	2	E
MJJV.02.001	Marketing	3	E
MJJV.03.110	Organizational Behaviour and Leadership	3	E
MJRA.03.066	Financial Management	3	E
	ELECTIVES I	**12**	
MJJV.03.107	Corporate Communication	4	P
MJJV.08.002	Business Informatics	4	E
MJ	**PRACTICAL TRAINING**	**4**	GP
	ELECTIVES II	**8**	
MJ	**MAJOR PROJECT**	**4**	
	TOTAL	**120**	

Minor modules for students of other faculties

Code No	Courses	Credits	Examination or Prelim
	DIRECTIONAL MODULE ECONOMICS AS A MINOR	**16**	
	Business Administration	**4**	
MJJV.08.028	Basics of Creation and Development of Enterprise	2	P
MJJV.08.031	Management and Organization	2	E
	Economics	**4**	
MJRI.07.028	Microeconomics	2	E
MJRI.07.029	Macroeconomics	2	E
	Accounting	**4**	
MJRA.01.028	Statement Analysis	2	E
MJRA.01.065	Managerial Accounting	2	P
	Economic Policy and Public Economics	**4**	
MJRI.03.064	Economic Policy	2	E
MJRI.08.042	Budgets and Taxation	2	P
	ECONOMICS AS A MINOR SPECIALISM MODULE	**16**	
	Marketing	4	
MJJV.02.026	Marketing I	2	E
MJJV.02.077	Marketing II	2	E
	International Economics	**4**	
MJRI.08.040	International Economics I	2	P
MJJV.07.009	International Economics II	2	E
	Financial Management	**4**	
MJRA.03.068	Financial Management I	2	E
MJRA.03.069	Financial Management II	2	E

Code No	Courses	Credits	Examination or Prelim
	Personnel Management and Organizational Behaviour	**4**	
MJJV.03.076	Personnel Management	2	P
MJJV.03.084	Organizational Behaviour	2	E
	ECONOMICS AS A MINOR OPTIONAL MODULES	**16**	
	Development Economics	**4**	
MJRI.03.063	Economic History	2	P
MJRI.07.118	Development Economics	2	E
	Banking	**4**	
MJRA.02.064	Banking I	2	E
MJRA.02.065	Banking II	2	E
	Strategic Management	**4**	
MJJV.08.004	Basics of Strategic Management	2	P
MJJV.08.046	Time Management — Theoretical and Information Technological (IT) aspects	2	P
	Basics of Economic Modelling	**4**	
MJRI.01.011	Basic Statistics for Business and Social Sciences	2	E
MJRI.02.010	Economic Modelling	2	P

Appendix 2.2.

Curriculum for The Graduate Programme Leading To Master In economics and Business Administration Degree

Passed by the Council of the Faculty of Economics and Business Administration on 17 June 2001

Passed by the Council of Tartu University on 28 September 2001 Officially recorded entry # 58

Curriculum title Economics and Business Administration
Academic subject area Social Science
Fields of specialization: Economics and Business Administration

School: University of Tartu

Faculty: Economics and Business Administration

Version: 1

To be reviewed and updated:

Curriculum code:

Master's programme
Credits yielded: 80
Length of academic course: 2 years
Reference to Curriculum accreditation:

Admission criteria:

1. Eligibility will be given to Bachelor's Degree holders who have graduated from University of Tartu since 2005/2006 academic year and studied Economics and any Business-related subject as their major or an emphasis.
2. All other Bachelor's degree holders or graduates from higher education programs equivalent to Bachelor's degree requirements, provided they have earned 40 credits by studying economic courses on the undergraduate level.
3. All admission criteria will be described in the Admission Regulations.

Brief annotation: Completion of required general courses will yield 16 credits. Thereafter the graduate students will specialize, choosing three subjects (each yielding 12 credits) out of six. In addition, the graduate students will earn 8 credits by studying electives and 20 credits by developing a Master's thesis.

Objectives: To facilitate graduate students' improvement of their economic education, thus paving a gateway for pursuing a doctoral degree or continuously raising efficiency in practical business careers.

Certification: graduates will receive Master's Diploma and personal academic transcript.

Degree to be conferred: Master in Economics and Business Administration

Subjects and courses

Code No	Courses	Credits	Examination or Prelim
	CORE COURSES	**16**	
MJRI.07.107	Specialized Course in Economic Theory	2	E
MJRI 03.057	Theory of Economic Thought	2	E
MJRI 02.041	Time Series Analysis	2	E
MJRI 02.049	Econometrics II	2	E
MJRI 08.028	Decision Theory	2	E
MJRA 02.046	Finacial Markets and Institutions	2	E
MJRA 01.060	Controlling	2	E
MJJV 08.007	Business Simulation	2	P
	SPECIALIZATION (three subjects out of six)	**36**	
	Economic Modeling	**12**	
MJRI 02.040	Simultaneous Equations Models	2	E
MJRI 02.047	Microeconometrics	2	E
MJRI 02.050	Decision Models	2	E
MJRI 02.048	Economic Modeling	4	E
MJRI 01.027	Qalitative Data Analysis	2	P
	Economic Policy	**12**	
MJRI 03.058	Competition and Industrial Policy	2	E
MJRI 03.059	Regional and Local Economic Policy	1,5	P
MJRI 03.009	Environmental Policy	1,5	P
MJRI 08.029	Stabilisation and Monetary Policy	2	E
MJRI 08.030	International Trade Policy	1,5	E
MJRI 08.031	Social and Labour Policy	1,5	E
MJRI 08.033	Public Management	2	E
	Finance	**12**	
MJRA 03.062	Corporate Finance II	2	E
MJRA 03.063	Investments and Securities Analysis II	2	E
MJRA 03.064	Insurance Finance	1	P
MJRA 03.065	Real Estate Finance	2	E

Code No	Courses	Credits	Examination or Prelim
MJRA 02.047	Corporate Risk Management and Value-based Management	3	E
MJRA 02.048	Central Bank Policy	2	E
	Accounting	**12**	
MJRA 01.061	Financial Accounting II	2	E
MJRA 01.062	Accounting in Non-profit Institutions	2	P
MJRA 01.004	Auditing	2,5	E
MJRA 01.051	Accounting Information Systems	2	P
MJRA 01.063	Cost Management	2	E
MJRA 01.014	Accounting for Taxes	1,5	P
	Marketing	**12**	
MJJV 07.017	International Marketing I	3	E
MJJV 07.018	International Marketing II	3	E
MJJV 02.072	Consumer Behaviour	2	E
MJJV 02.073	Advertising in Marketing	2	E
MJJV 02.074	Contemporary Advances in Marketing Theory	2	E
	International Management	**12**	
MJJV 08.009	Concepts of Management	2	E
MJJV 08.008	Strategic Thinking	3	E
MJJV 03.111	Organizational Behaviour and Culture	3	E
MJJV 07.020	Corporate Governance	2	E
MJJV 07.021	Logistics	2	E
	ELECTIVES	**8**	
	MASTER's THESIS	**20**	
	TOTAL	**80**	

Appendix 2.3.

Curriculum for the Doctoral Programme Leading to The PhD Degree In Economics

Passed by the Council of the Faculty of Economics and Business Administration on 28 Sept 1994, Minutes No. 2

Passed by the Academic Council of Tartu University on 26 May 1995, Minutes No. 6

Curriculum title Economics
Academic subject area Social Science

School: University of Tartu **Faculty**: Economics and Business Administration

Version: 4 **To be reviewed and updated:** 27 August 2003

Curriculum code:8301200

Doctoral programme
Credits yielded: 160
Length of academic course: 4 years
Reference to Curriculum accreditation:

Admission criteria: To be eligible, a student must hold a Master's degree or have an equivalent level of education. Preference will be given to those applicants whose previous studies and independent research indicate their suitability and capacity to become an academic, researcher or highly qualified economics specialist. Selection of successful applicants rests with the Council of the Faculty of Economics and Business Administration; the students will be enrolled in compliance with the Rules for the Organisation of Education at the University of Tartu.

Brief annotation: Within the curriculum, courses taught can yield 40 credits, while 120 credits can be gained for writing and publicly defending a thesis. Each student will follow an individual syllabus. The doctoral theses must meet the criteria laid down by the Tartu University Regulations for Postgraduate Degrees and must follow the Faculty of Economics Guidelines for Writing Student papers.

Objectives: To provide versatile knowledge and expertise in various subject areas of economics, to train the students in doing individual research and in teaching others, which are the vital skills for anyone who wants to work as an academic, researcher or highly qualified economist.

Certification: Doctoral diploma and personal academic transcript.

Degree to be conferred: *Doctor philosophiae* – PhD (Economics)

Subjects and courses

Code No	Courses	Credits	Examination or Prelim
	CORE COURSES		
MJRI.07.120	Postgraduate course in Microeconomics	4	E
MJRI.07.122	Advanced Macroeconomics	4	E
MJRI.02.016	Postgraduate course in Econometrics	4	E
MJJV.03.121	Organization and Management	3	E
MJRI.01.028	Qualitative Research Methods	3	P
MJRI.07.100	Seminar of Research Methodology	2	P
MJJV.07.047	Doctoral seminar	2	P
	SPECIALIZATIONS		
	Economics		
MJRI.02.055	Specialized course in Econometrics	4	P
MJRI.03.067	Special course in economic and social development	5	P
MJJV.07.046	Special Course on Economic Integration	5	P
	Business Administration		
MJJV.07.045	Selected Topics in the Internationalization of Firms	2	P
MJJV.03.122	Special doctoral course in Management	3	P
MJJV.02.078	Special doctoral course "Marketing"	3	P
MJRA.03.073	Special doctoral course "Finance"	3	P
MJRA.01.069	Special doctoral course on Accounting	3	P
	ELECTIVES	**4**	
	THESIS	**120**	
	TOTAL	**160**	

Appendix 5.1.

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Appendix 5.2.

Calculation of Teaching Loads (Faculty of Economics and Business Administration, UT)

1. The overall teaching load of the divisions of the Economics Faculty, University of Tartu, is calculated as the sum of the teaching loads of each division's full-time and part-time staff. A staff member's workload comprises his/her regular teaching responsibilities at the Faculty of Economics both within the undergraduate as well as the Master's and Doctoral programmes.
2. **The teaching load** comprises contact hours, individual work, and supervision of student papers. The load for the reporting year shall have been defined by the 15 February.
3. To be able to compare the amount of work done by a student for getting one credit and that done by academics of different subjects, one has to consider the agreed-on minimum and maximum rates of forms of control. The volume and types of control shall have to accord to the credits yielded by respective courses. For recommendable structures of subjects please refer to the year 2000 guidelines for planning teaching loads.
4. Classroom teaching load consists of the time spent on holding lectures, seminars and practicals (in-class tests). Classroom study is conducted in accordance with the respective syllabi, its volume defined by the subject passport and indicated in the time-table. In each case the number of lecture groups shall be one, whereas seminar groups shall involve at least 20 (in IT and computer class practicals no less than 15) students. Elective subject groups for undergraduates shall not be opened if less than 20 students have registered. Groups of less than 10 (8 in computer classes) shall not be considered when calculating workloads.
5. A professor's lecture-hours shall be multiplied by the coefficient 6; those of an associate professor by 4 and those of a lecturer by 1.3[10]

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[10] The hitherto applied coefficients of additional compensation to professors and associate professors (2.4 and 1.8, respectively) prove insufficient to guarantee those members of staff their minimum salaries in accordance with the rates accepted by the University, provided that both their full-time teaching and research loads accord to the averages defined by the Faculty of Economics.

6. Teaching loads in running web-based courses shall be calculated on an equal footing with traditional courses.
7. In case of teaching correspondence (Open University) courses of **other faculties**, the contact hours will be multiplied by 2.
8. Individual work involves preparation for classes, marking tests and reports, setting examinations, and defending research and degree papers.
    - Preparation for lectures shall be calculated as taking 0.5 hours per each calculated contact hour. In case of seminars, 0.5 hours shall be calculated per each contact hour for each tutor per **one** seminar group (excl. baccalaureate/ undergraduate seminars).
    - The work done at the preparation and marking of tests shall be calculated as yielding 10 minutes per each student's 1 hour in writing the test, whereas reading reports will yield 20 minutes per each report and examinations 20 minutes per each student.
    - In case of board marking, the summary load shall be calculated as the product of the number of students multiplied by the normative size of the board and the time spent. At the defence of research papers, at final examinations in the major subject, as well as at the Master's and Doctoral examinations, the board shall consist of three members and the time spent on each student shall be 30 minutes. At the defence of baccalaureate papers, the board shall consist of five members and the time spent on each student shall be 40 minutes. The summary load can be, as proposed by the respective department, divided between a larger number of board members. At the defence of Master's and Doctoral theses each board member's workload shall be calculated as 1 hour per each paper.
    - In calculating individual work, one shall proceed from the number of students whose passing / failing in examinations (preliminary examination/credit tests) since the previous period of calculation (between 1 February and 31 January) have been recorded. Non-appearance of students, although registered for the course, will not yield any individual load.
9. The load calculated for supervising a research (term) paper or practical training shall be 6, for a bachelor's thesis 12, for a Master's thesis 18, and for a Doctoral thesis 24 hours per academic year.

- At the discretion of the department the aggregate load of supervising a bachelor's thesis (i.e. one hour per paper to up to three academics) can also be divided between a larger number of academics.
- Post-graduate students registered for Master's and Doctoral degree courses and being on academic leave on 1 February shall not be considered when calculating teaching loads. For each Master's or Doctoral thesis defended within the current reporting year, the supervisor shall get as a bonus 18 or 24 hours, respectively. In case of co-supervision, the workload shall be divided between the supervisors as defined by the department.
- An internal reviewer shall be given 10 hours per paper for reviewing either a Master's or a Doctoral thesis. In case of bachelor's theses, the respective load is 5 hours per paper.

10. **Reporting data.** Departments shall submit their reports on the division of **contact teaching** loads and related individual work between their full-time (part-time) staff electronically as an *Excel* format table by 15 December of the current reporting year. The table must indicate the name of the subject, with code, credits yielded, contact hours involved and structure according to the subject's passport, form of control (examination or credit test) and additional requirements (writing a report). The table shall separately indicate each instructor's contact hours (lectures, seminars and practicals) and his/her share in the preparation and assessment of tests, reports and examinations. To enable allotment of **individual teaching loads** related to examinations, preliminary examinations/ credit tests, supervision and defence of papers, the departments shall submit the specified numbers of students by 5 February of the budgetary year.

Appendix 5.3.

Methodology for consideration of publications in 2002 (Faculty of Economics and Business Administration, UT)

CLASSIFICATION OF PUBLICATIONS

1. Scientific articles published by journals and in collections indexed by *Current Contents* — 15 points per page (UT classification CC).
2. Scientific articles in journals and collections reviewed by the Institute of Scientific Information — ISI citation indexes (SCI, SSCI, A&HCI) — 15 points per page.
3. Scientific articles or conference papers (at least 3 pp.) in journals and collections abstracted by the respective field's most important databases and reference journals — 15 points per page (UT division A1).
4. Articles printed by other foreign publications — 5 points per page (UT division A2)
5. Refereed scientific articles in foreign languages published in Estonia — 5 points per page (UT division A 3).
6. Refereed scientific articles published in Estonian scientific research publications — 4.5. points per page (UT division A 3).
7. Non-refereed scientific articles published in Estonian scientific publications — 3 points per page (UT division A3).
8. Popular scientific articles — 2 points per copy (UT division A4).
9. Monographs, collections and booklets published by international science publishers — 10 points per page (UT division R 1).
10. Other monographs, collections, dissertations and booklets published abroad — 7.5 points per page (UT division R2).
11. Monographs, collections and booklets published in Estonia — 6 points per page.
12. Other publications, coursebooks for higher and secondary education, handbooks, bibliographies, catalogues, etc. — 3 points per page (UT division R4).

NOTES

1. Characters shall be counted by the Microsoft Word Word Count tool (characters with spaces).
2. One page equals 2000 characters.
3. A figure/drawing shall be equal to 700 characters.
4. Numbers shall be rounded off to one decimal place.

5. In case more than one author is involved and their shares have not been specified, then each author's share will be counted by dividing the aggregate length of the work by the number of authors involved.
   a) In case of collectively written research papers by Estonian authors, whose shares are unspecified, the additional coefficient 1.2 shall be used.
   b) In case of scientific research papers written collectively by an international team, the coefficient 1.5 shall be used.
6. A second or third issue shall yield 50% of the points given by a first edition (whether any particular work is a second or third printing, shall be decided by the Faculty board of governors.
7. If a publication appears simultaneously in two languages, then the length of the version in a foreign language shall by multiplied by the coefficient 0.25.
8. Points gathered by visiting teaching fellows shall be multiplied by the coefficient 0.25.
9. Division of publications between points 3 and 4, and 8 and 9 shall be the discretion of the Faculty Board.
10. Consideration of forewords/prefaces, afterwords and other editorial writing to monographs and collections shall follow the same regulations as the main text of the pertaining publication.
11. As a rule, publication on CDs shall be considered equal with hard copy publication.
12. The decision about how to count the points for a very small-circulation CD shall be made by the Faculty Board.
13. Publications printed in the journal "Akadeemia" belong to subdivision 5, whereas those printed in the journal "Eesti Majanduse Teataja" belong to subdivision 6.
14. Master's and Doctoral theses and abstracts thereof as well as various reports and statements written in the framework of grants and contracts shall not be counted as publications. In case, however, a Master's or Doctoral thesis gets published in a respective series, points shall be counted for it in accordance with the present guidelines.
15. Whether and how to grant points for Internet materials shall be decided by the Faculty Board.
16. Up to ten popular scientific publications shall be considered per each author.
17. Refereeing is defined as getting two anonymous reviews of the paper in writing. Vetting and selection of conference papers by the

organizing board, as a rule, do not mean refereeing although exceptions can be made by the Faculty board of governors).

18. The departments shall have to submit their reports on publications to the vice-dean for research by 15 January at the latest.
19. In case of difficulties in counting characters (e.g. a publication can consist, in large part, of formulas), the final count of characters shall be decided by the vice-dean for research in line with the Faculty Board.