



Opponent review on the master's thesis

by

Bc. Vojtěch Fidler

EFFICIENCY AND PRIVATE FINANCING IN PUBLIC  
HIGHER EDUCATION SECTOR OF THE CZECH  
REPUBLIC

Supervisor Mgr. Barbara Pertold-Gebická, M.A., Ph.D.

Thesis are devoted to the problem which is not only interesting and actual but which is also important and necessary to be solved in not very far future. It is problem how to find some additional sources for financing higher education (HE) which is underfinanced in many countries - but because the consequences of cuts in educational system are manifested only in long horizon, they are done as ones of first when the GDP starts to decline. The dissertation also discusses how these additional sources are to be employed. As the title of thesis hints, the additional sources are assumed to be found in private financing and the result of investing them in higher education is discussed from the point of view of efficiency.

The thesis are divided in eight chapters, the first is very brief introduction, the second one collects four topics - theoretical background, financing instruments, quality of education and some patterns of financing schemes. The third chapter - also rather brief - brings an overview of literature, the fourth describes the higher education in the Czech Republic. The fifth chapter studies efficiency of universities and the sixth then analyses possibilities of private financing. The last two chapters offer some summarizing comments and conclusions together with highlighting some results.

The problem how to finance the higher education represents a nightmare of politicians (nearly) all over the world, of course with a different level of urgency. The topic is however so complex and wide that it was not possible in a study of the scope of diploma thesis to cover it completely. Nevertheless, in the segment selected by author of thesis, he discussed it very well and correctly what concerns the methods, and I didn't find only some small problems in it. Even the formal side of the thesis was prepared rather carefully - I found very small number of clear misprints (e.g. when recalling DEA there should be  $Y$  instead of  $Q$ , see (5.2)). Nevertheless, I would have some proposal how to increase the comfortable reading of potential reader, especially in the parts which try to introduce the formalism and to explain the methods used for data processing. First of all, the list of abbreviation could contain an information where given abbreviation was used first time - to allow reader to return to it when he/she forgot the content (except of it - if editor, as TEX, allows it, it should be done automatically to reach completeness of the list). When introducing regression model there is

to be given much more details. The reader learns what means  $k$  and  $i$  but not what  $y_{ik}$  and  $a_{ik}$  denote. And it continues further. An overall feeling of reader may be that the author applied the methods a bit (or even - “rather”) “routinely” without deeper understanding the mathematics which was used to prove desired properties of the methods. The thesis of student of IES FSV UK is to include more econometrics - not to be mostly narrative ones. E. g. when passing from (5.1) to (5.2) it could be shown we make it, or DEA could be discussed, what is its roots (history), what connections it has with other methods of solving extremal problems (with convex constraints), etc. And the same holds about several places where some formulas are employed without at least a heuristic attempt to explain them.

The complexity of problem has its roots mainly in very wide scope of types of universities<sup>1</sup> and also a wide range of consequences we want (and hopefully can) achieve by offering university education. One very well known but poorly measurable thing in economics are the *spillovers*. And the university education is (if not basically, then substantially - especially when the students have possibility to realize some long term stays on other than their own universities) just about spillovers. Further the notion of efficiency is questionable anytime (even in the institutions focused on profit - e. g. it is different in short or long horizon) but in nonprofit (or at least profit in a limited way) institutions seems to be so undefinable notion that any conclusion is hardly sustainable. E. g. in my carrier I have seen one objectively measurable item as staff-to-student ratio interpreted in completely opposite way. And even if we accept the stupid (and we should admit - mostly economic) point of view that the more efficient university is that one which is able to teach more students by one professor<sup>2</sup> we can get into difficulties with number of students (whether to take into account only studying in presence form study or also in distant type) and similarly (as the footnote indicates) with number of professors (moreover, from my experiences from Economic group of the Accreditation committee there are faculties having this ratio very high due to hiring professor on so called “dohoda o práci”).

First of all, it is to be said that the author had to read a lot of papers and collected data from many sources. He also learnt something above the usual scope of methods taught on our institute. The thesis surely represent a good portion of work and I propose to accept

---

<sup>1</sup>Moreover, the English terminology doesn't reflect the difference between “high school” (vysoká škola - as in English “high school” means in fact the secondary school) and university (universita - as in the Czech republic is the Charles university (on the most faculties) and partially Masaryk and Palacký university). Very abbriviately saying, “high school” prepare experts (teaching them mostly *know-how*) while university - in its original sense and goals coming back to the end of Middle Ages, the beginning of Renaissance and Enlightenment - should offer their students not only knowledge and a supply of skills but also a possibility to become inheritor of virtues based on Jewish-Christian tradition and ancient philosophy. Moreover, the “university” much more than “high school” should confirm that the most valuable thing which student can achieve on university is development of personality, in other words, what he/she still possesses when he/she forget all knowledge we have taught him/her.

<sup>2</sup>Surprisingly, not only the earlier rector of Masaryk university professor Jiří Zlatuška but also some colleges of Oxford university accepted this criterion. The difference was that while on Masaryk university they divided number of students by all teaching staff and even then they have the ratio 1:30, on Oxford university they divided the number of students by number of associated and full professors. When I visited Nuffield college I learnt that bachelors are taught (nearly) exclusively by postgraduate (and partially even graduate) students, so that the ratio in doctoral studies was in fact one (mostly full) professor on one doctorand.

them as qualification work.

Prior to saying a few critical remarks I would like to stress that many points of view - discussed mainly in the first part of thesis - agree with mine but it doesn't mean that they are good or bad, correct or false - it is due to the fact that we both, the author of thesis and me, have (at least a bit) "right wing political point of view". At one place of thesis the author recalled that the discussion about a reform of HE is difficult because of ideological points of view which underly it. That is one my small objection. The diploma thesis should be scientific work and the science should be neutral to ideology - we should, as scientist, when producing models of world, the models which can help in a decision, leave aside the ideology and we should offer (all possible) ways of coping with given situation. It is then on politicians to select that one they assume to be the "best" one according to such a point of view which was selected by people through the elections. But when reading the thesis I felt that the text is (at least partially) influenced by some ideological points of view<sup>3</sup>

The author claimed on several places something which stems - I believe - much more from his personal experience or even from his conjectures (in some cases it was due to misinformation or lack of correct information). E. g. he believes that the most students select(ed) the school by the perspective of future possible wage or general carrier success. May be that it is true about the most of students of our institute but I am sure (due to my practice of teacher on several faculties as well as due to my experiences from earlier clerical position) that the most of students want(ed) to study what is(was) in the center of their interest. The example of the latter case (it is an example of a lack of information) is the description of situation of Faculty Economics of University of Economics. They had enough of academic personnel (even with titles) but of poor quality - just publishing papers (if any) in journals of low level. Similarly, to take into account Coefficient of Field of Study Cost (CFSC), seems to be an indication of not understanding what it is (although MSMT still claims that it corresponds to the reality, maybe to a reality as it is seen by MSMT). There are programs on different faculties which offers very similar subjects (sometimes even taught by the same teachers) having very different CFSC. I taught the regression in our program (CFSC=1), on Faculty of Mathematics and Physics (CFSC=1.8) and exactly the same topic on FJFI (Faculty of Nuclear and Physical Engineering) (CFSC=2.2). Finally, to compare expenditure on tertiary sector by its share on GDP may be misleading. To give really reliable information it has to be accompanied by a report how OECD collected the data - sometimes they take data from the Statistical Offices which sometimes don't include e. g. returns from capital or properties of universities. E. g. at some years the 80% of expenditures on HE in UK were spent by 4 largest university in UK, although these 80% was larger amount of money than reported by UK government as the expenditure on HE in the whole UK - just because these universities used their own sources of financing.

I would like to stress that what I said in the last paragraph has nothing to do with question whether the thesis are to be assumed as proving the ability of author to employ the methods (e.g. data processing ones) and to produce a text of reasonable quality. He surely fulfilled the task and the thesis are to be accepted as O.K.. Moreover, even much

---

<sup>3</sup>It is partially due to the specialization the author has studied. The most of economist have right political point of view while the most sociologists have left, etc.

more experienced authors are not able to write paper which avoid ideological, religious etc. ideas. Some of them even believe that science should give recommendations to politicians or some moral directives of behaviour. Of course, we as professors and students we should have political ideas and moral norms and we should communicate them with other but not in scientific papers.

**Summa summarum:** I have to say that the author convinced me that is able to work hard, to create some useful results by collecting information, that he knows to employ data processing methods, etc. That is why I strongly recommend to committee to accept the thesis as fulfilling the requirements.

SUMMARY OF POINTS AWARDED		
CATEGORY		POINTS
Literature	(max. 20 points)	20
Methods	(max. 30 points)	20
Contribution	(max. 30 points)	25
Manuscript Form	(max. 20 points)	20
TOTAL POINTS	(max. 100 points)	85
GRADE	(1 2 3 4)	1

Prague, September 3, 2015

.....  
(signature)