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Regional cooperation in higher education and research in the Southern and Eastern Mediterranean countries

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Higher education and research represent the driving forces for economic and institutional change in both developed and developing countries all around the world. The countries of the Southern and Eastern Mediterranean (SEMCs) are not an exception from this case as they are making notable efforts to enhance the institutional reform of higher education. Despite many positive results, these countries have still failed to join the era of the technological revolution, which would allow them to correct their disadvantageous position in international trade, as well as to adequately develop and use human resources. Our paper focuses on the importance of regional cooperation in higher education and research for economic, social, and institutional development in the SEMCs. We demonstrate that universities in developing countries face greater challenges than their counterparts in the developed countries. We focus on assessing the European Union's (EU) efforts and contribution to the Euro-Mediterranean integration and institutional change since the future development of the Mediterranean countries is linked to the European integration processes. Finally, the paper outlines recent trends in the interconnection between regional integration in the EU and the Mediterranean. Our results might be of special interest for the policymakers and academics in the field of higher education and regional economics.

Keywords: higher education; regional cooperation; institutional change; European Union; Southern and Eastern Mediterranean countries

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Региональное сотрудничество в области высшего образования и исследовательской деятельности в странах Южного и Восточного Средиземноморья

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Высшее образование представляет собой движущую силу экономических и институциональных изменений как в развитых, так и в развивающихся странах. В странах Южного и Восточного Средиземноморья активно проводятся институциональные реформы в области высшего образования. Несмотря на множество положительных результатов, этим странам до сих пор не удалось пережить технологическую революцию, которая позволила бы им преодолеть невыгодные для них условия участия в международной торговле, а также развивать и эффективно использовать человеческие ресурсы. В нашей статье основное внимание уделяется важности регионального сотрудничества в области высшего образования и научных исследований для экономического, социального и институционального развития в странах Южного и Восточного Средиземноморья. Мы показываем, что университеты в развивающихся странах сталкиваются с более серьезными проблемами, чем в развитых. Особое внимание уделяется оценке усилий и вклада Европейского Союза (ЕС) в интеграцию евро-средиземноморских стран, а также институциональным изменениям, связанным с будущим развитием стран Средиземноморья. В статье обозначены последние тенденции региональной интеграции в странах ЕС и Средиземноморья. Наши результаты могут представлять интерес для политиков и ученых, изучающих региональную экономику.

Ключевые слова: высшее образование; региональное сотрудничество; институциональные изменения; Евросоюз; страны Южного и Восточного Средиземноморья

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Introduction

Higher education constitutes an important pathway for the economic, social, and institutional buildout of the developing and developed countries (Findler et al., 2019; Abelha et al., 2020). Since the 1960s, the countries of the Southern and Eastern Mediterranean (SEMCs) (consisting of Egypt, Jordan, Lebanon, Morocco, and Tunisia) have been making efforts to reform their education systems (Samourkasidou and Kalergis, 2021; Neira et al., 2023). Despite many positive results, these countries

are still struggling to join the era of the technological revolution, a move that would allow them to improve their disadvantageous position in international trade, as well as to adequately develop and use their human resources¹ (Kerras et al., 2020; Pérez-Castro et al., 2021). Even though the Mediterranean has for decades been in center of attention of academics, researchers, as well as policymakers, as far as its geopolitics is concerned, it remains one of the most unstable places in the world (Dinbabo et al., 2021; Tholens and Al-Jabassini, 2023).

However, the issue of its marginalized position in the world economy gradually came into focus (Van Niekerk, 2020). No major progress has been made so far which could not be improved despite the proximity of the largest integration grouping, the European Union (EU), which has developed several different initiatives for the Mediterranean region considering its interests in this area (Cotella, 2020; Cuttitta, 2020).

For years, multiple efforts have been targeted mainly to the economic support SEMCs in the process of catching up with the developed countries on the northern shore of the Mediterranean Sea. Many economic indicators, such as the amount of GDP per inhabitant, point out the fact that the level of differences between both shores has not decreased (Zoubir, 2022). Figure 1 that follows reports the GDP per capita (current US\$) in SEMCs and EU from 1990 until 2022 showing the economic dominance of the EU in comparison with SEMCs (Fig. 1).

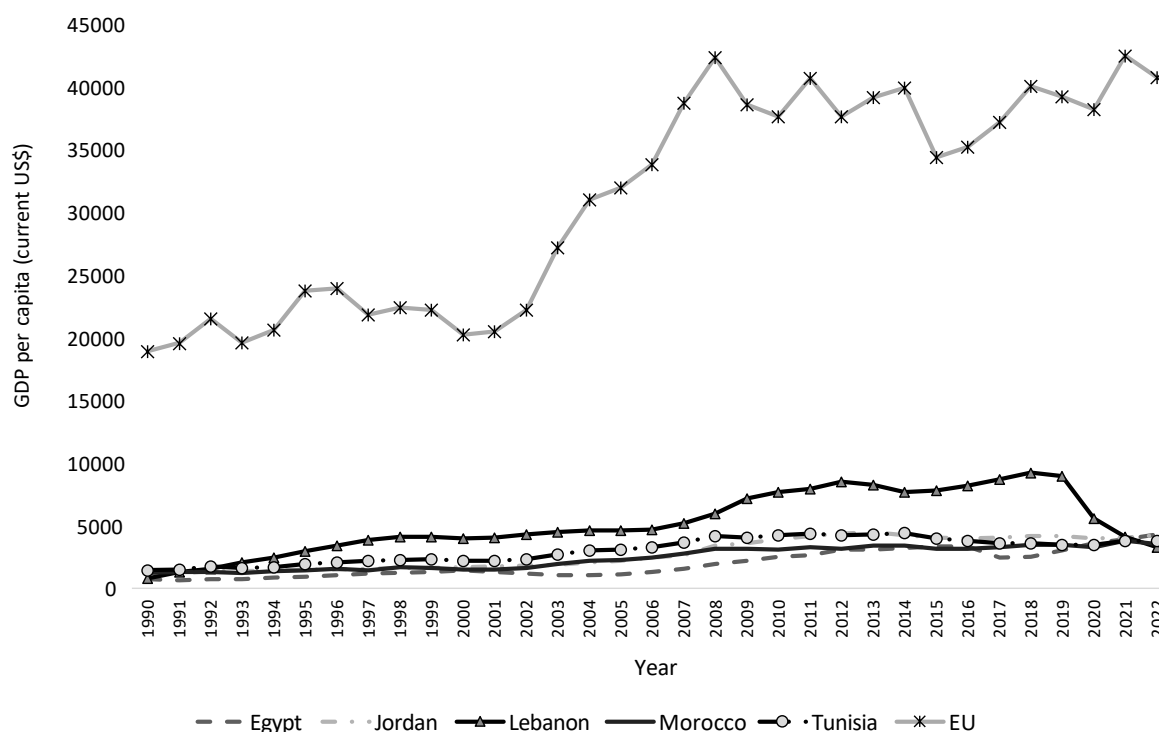


Fig. 1. GDP per capita (current US\$) in SEMCs and EU

Source: own results based on World Bank national accounts data and OECD National Accounts data files. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

The share of the SEMCs' population in the productive age has rapidly grown in the past twenty or thirty years. Although the SEMCs are constantly striving to improve the educational level of their population, it is precisely the group of university graduates who are the most affected by unemployment (Jebeniani and Trabelsi, 2020). This fact is primarily related to the insufficient creation of new jobs opportunities. This is directly dependent on the country's economic growth, but also on the lack of job applicants' skills required by employers.

¹ Fouchet, R., Moustier, E. (2010). L'enseignement supérieur et la recherche en Méditerranée: enjeux et défis de demain en sciences sociales. Papers for Barcelona 2010, Iemed, Barcelone, janvier, pp. 13–45. https://www.iemed.org/observatori-en/arees-danalisi/arxius-adjunts/10-papers-for-barcelona-2010/4-education-research-and-gender-the-sources-of-progress/fouchet%20moustier_4.pdf

This imbalance was also distorted by the large-scale civil revolutions which took place in this region, such as the Arab Spring (2010–2012). Today, it is obvious that the dissatisfaction of the people, especially the younger generation, has been “simmering” in many SEMCs for a quite some time (Herranz-Surrallés, 2020). Unfortunately, this resulted not only in the civil protests against the political establishment, but also in the disagreement with unsustainable economic and social issues, especially with the aforementioned high unemployment of the young people who demanded fundamental measures from their political representatives (Al-Shammari and Willoughby, 2019; Fasih et al., 2020). The disproportions in the transition from the education process to the labor market and the provision of a qualified workforce arose mainly because of the insufficient planning in the field of education and economic development (Abad-Segura et al., 2020)². It is therefore essential that the reform of educational system meets the needs of the knowledge economy.

This study focuses on regional cooperation in higher education and research for economic and social development in SEMCs. Special attention is directed primarily to the contribution of the European Union (EU) and its efforts aimed at Euro-Mediterranean integration as well as to the institutional change in the field of education and research policies.

Institutional economics and higher education reforms

In recent years, higher education systems around the world have undergone significant reforms to adapt to the changing global landscape (Volchik et al., 2017; Robson and Wihlborg, 2019; Williamson, 2021). Partly, these reforms were caused by the recent COVID-19 pandemic that reshaped the role and place of education, including higher education (Sá and Serpa, 2020). The pandemic brought about the digital surge in the primary, secondary, and tertiary education as well as in academia removing many bureaucratic barriers and introducing the online as well as hybrid modes of learning together with the use of various digital tools, artificial intelligence (AI), augmented reality (AR), and other novel tools and approaches (Gorina et al., 2023). The ongoing reforms aim to improve access, quality, and relevance of education while also addressing financial sustainability and accountability (Chankseliani and McCowan, 2021). In this context, understanding the role of institutional economics in higher education reforms becomes crucial.

Institutional economics provides a framework for analyzing how institutions shape economic behavior and outcomes (Coase, 1959; 2013; Williamson, 1975; North, 1994; 2016). Institutions are perceived as formal and informal rules that govern human behavior within a particular context (Witte, 1954; Hodgson, 2006; Volchik, 2020). In the case of higher education, institutions encompass not only universities themselves but also government policies, regulatory bodies, accreditation agencies, and other stakeholders involved in shaping the sector (Chinta et al., 2016; García-Peñalvo, 2021).

One key aspect of institutional economics is its focus on incentives and their influence on individual behavior (Hodgson, 2007; Cole, 2017; Ostrom, 2019). In higher education systems, institutions create incentives for both students and providers. For example, government policies may incentivize universities to increase enrolment rate or improve graduation rate by linking funding allocations to performance indicators. Similarly, students may be incentivized to pursue certain fields of study based on perceived job prospects or financial aid availability (Smolentseva, 2020; Salmi and D’Addio, 2021). Understanding these incentives is essential when designing effective higher education reform. By aligning incentives with desired outcomes such as increasing access or improving quality, policymakers can encourage positive change within the system. However, it is important to consider unintended consequences that may arise from these incentives as well.

Another important aspect of institutional economics perspective on higher education reform is examining how institutions affect resource allocation and distribution. Universities operate within a complex environment with limited resources such as funding, faculty expertise, infrastructure, and research opportunities (Tsai et al., 2019). Institutions play a crucial role in determining how these resources are allocated among different universities and programs. Government policies may prioritize funding for research-intensive universities over teaching-focused institutions based on their potential economic impact or scientific contributions (Anthony et al., 2019; Jena, 2020). This allocation can have significant implications for university development as it affects their ability to attract top talent or invest in infrastructure.

² See also Fouchet and Moustier, as cited above.

Institutional economics emphasizes the importance of understanding the broader socio-political context in which higher education operates. Institutions are influenced by societal norms, political ideologies, and power dynamics (Sorensen et al., 2021; Uzhegova and Baik, 2022). These factors shape the rules and regulations governing higher education systems and can profoundly affect their development. Institutional analysis may reveal how historical legacy or cultural values influence policy decisions or resource allocation within higher education. Such insights can help policymakers devise reforms that consider these contextual factors to ensure their effectiveness and sustainability.

Universities and economic development: A case of SEMCs

There are several means by which universities can contribute to the economic and institutional development of countries and regions. Generally, they play a leading role in the qualification of human capital and in industrial research and development (R&D). The countries that are considered to be successful are distinguished by their ability to translate the acquired knowledge into new productive capacities. In this sense, the importance of universities is irreplaceable, since higher education institutions are a major source of the new knowledge. The generation of the new knowledge represents a pole of attraction for businesses striving to benefit from this environment (Aissaoui, 2016; Losonczi et al., 2019). Research literature deals with the effect of higher education and research on economic and institutional development of various countries (Čajka et al., 2023; Horváthová and Čajková, 2018). While the situation in the developed countries has been more or less analyzed in the relevant literature, less attention has been devoted to the role of universities in the less developed countries (Aissaoui, 2016). Some authors suggest that many less developed countries follow the example of the developed ones and therefore are starting to focus on strategies for improving higher education systems to strengthen national or regional economies (Abad-Segura and González-Zamar, 2021). The same applies to the case of SEMCs. Among other things, these countries seek to strengthen international cooperation in higher education and research, particularly at regional level. Nevertheless, this is characterized rather by the North-South interaction than the South–South cooperation which, we suppose, requires profound change.

Figure 2 shows the enrolment in tertiary education (all programs, both genders) in the numbers of people for Egypt, Jordan, Lebanon, Morocco, and Tunisia from 1971 until 2016 (the last year the complete data is available for all countries in question).

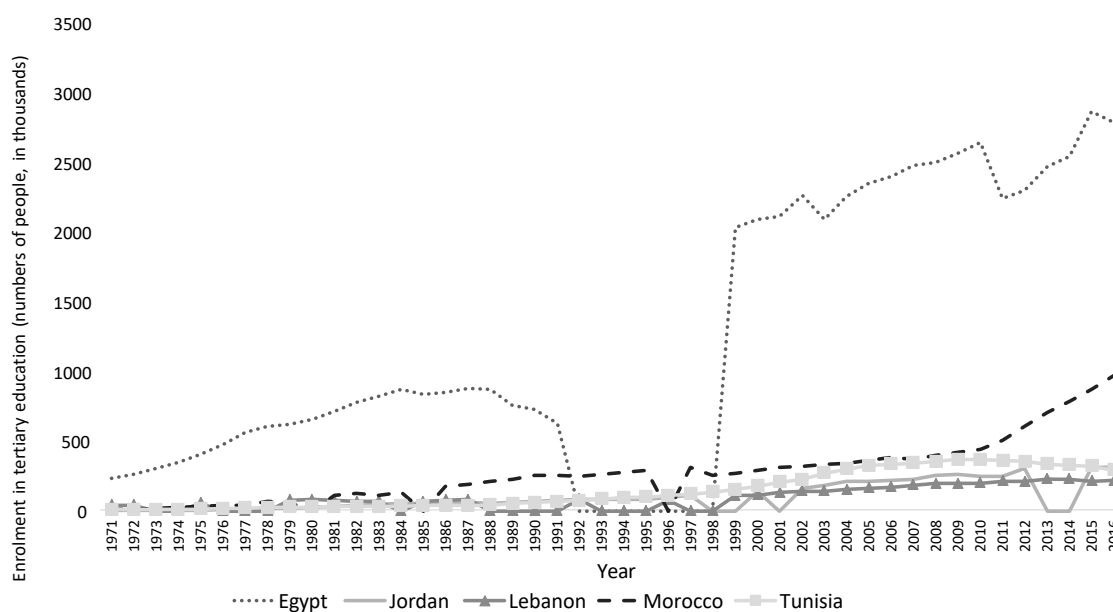


Fig. 2. Enrolment in tertiary education, all programs, both genders (number)

Source: own results based on World Bank Education Statistics. <https://databank.worldbank.org/indicator/SE.TER.ENRL>

SEMCs do not represent some homogeneous entity. On the contrary, despite the presence of a number of integration factors, these countries differ from each other, not only in size and political system, but also in the level of economic development. Related indicators involve access to natural resources, the level of elaboration of national development strategies, the degree of openness of economy, the availability of human capital, etc. Although these are the countries with high population growth and thus a high proportion of young people in the overall population structure, the region's vulnerable economies need skilled labor which is essential for both national and foreign companies intending to invest (foreign direct investment, FDI) and settle in the SEMCs' region. However, SEMCs also need an effective education system and high-quality human capital in order to achieve the effective transfers of technology that comes with the inflow of foreign capital³. SEMCs countries do not trade a lot with each other, they have undiversified production structure, and yield significant dysfunctions on their labor markets (Caupin, 2019).

This economically fragmented entity stands in stark contrast to the Northern coast of the Mediterranean where the countries that are united in the world's most important integration grouping, the EU, are located. Those are the countries from Spain to Malta, with a population of around 100 million, that together generate a GDP of up to 2 300 billion euros, compared to the 1 600 billion euros generated by the SEMCs countries, where two thirds of the wealth is produced by Turkey and Egypt (Caupin, 2019). The countries of the opposite shore of the sea enjoy the benefits of the EU Single Market. Most of them are also part of the Eurozone and the Schengen area which also facilitates their mutual trade and the free flow of people and capital (Jiroudková et al., 2015). The EU is the main trading partner for most of the SEMCs countries in the region. This is particularly the case of the Maghreb countries where the EU receives 74% of Tunisia's exports, 66% of Morocco's exports, and 58% of Algeria's exports (Caupin, 2019). Nevertheless, from the EU's perspective, this share is considerably smaller: in 2014, the Mediterranean region accounted for only 3% of EU trade. Although its share increased to 8.6% in 2017, the rising figure remains low compared to, for example, the United States, the EU's largest trading partner. The trade between the two shores of the Mediterranean is centered around the industrial goods while the trade in services and agriculture are still not liberalized. On average, the South–South trade accounts for only 5.9% of exports and 5.1% of imports in each southern country's trade balance⁴.

The economic relations between the shores of the Mediterranean Sea are historically pre-conditioned which led to the creation of the Euro-Mediterranean Partnership coined by the Barcelona Declaration in 1995. Although this declaration allowed to increase mutual trade, despite the EU's efforts, SEMCs still prefer their Northern neighbors as their priority partners. It becomes clear that the EU efforts have so far failed to drive the expected convergence dynamics in the mutual trade and economic as well as institutional cooperation.

Institutional and economic integration of the Mediterranean region

It is obvious that the future of SEMCs is linked to building closer ties with the EU which would involve regional integration processes on both shores of the Mediterranean. This is reflected in the words of the French diplomat and former Foreign Minister, Hubert Védrine, who once proclaimed: *"The future of the southern Mediterranean countries depends on the future of Europe. Either integration will take place, leading to growth on each side of the 'Mare Nostrum', or there will be an even greater widening of the chasm and an increase in economic, but above all political and social tensions"* (Védrine, 2007).

The ongoing turmoil in the Mediterranean, caused mainly by the wars in Syria and Libya, had a major impact on the stabilization of political systems after the Arab Spring, and to varying degrees remains to be a continuing source of socio-economic problems in all the countries of the region. These factors are not conducive to South–South regional integration under which no major progress has yet been made. The Union for the Arab Maghreb (UMA) which is comprised of the five countries of the Greater Maghreb: Al-

³ Rey, S. (2011). La Macroéconomie des PSEM: état des lieux et relations avec l'Union Européenne. <https://hal-univ-pau.archives-ouvertes.fr/hal-01880349/document>

⁴ Toute l'Europe (2017). Quel avenir pour les relations économiques UE-Méditerranée ? <https://www.touteurope.eu/l-ue-dans-le-monde/quel-avenir-pour-les-relations-economiques-ue-mediterranee>

geria, Libya, Mauritania, Morocco, and Tunisia, experienced various turmoil from the mid-1990s. Moreover, it failed to carry on with the transformation into the economic and political community which would be based on the treaty signed on the 17th of February 1989 in Marrakech, Morocco. The same unsatisfactory progress can be observed in the case of the Agadir Free Trade Agreement signed between Egypt, Jordan, Morocco, and Tunisia (initiated in 2001, signed in 2004 and came into force in March 2007). After gaining their independence from the European powers, the Western states of the Southern Mediterranean (Maghreb states) integrated into the regional groupings, namely the Arab League and the Organization of African Unity (OAU), which later transformed into the African Union (AU). In terms of economic integration, these organizations achieved very limited and negligible results.

Euro-Mediterranean economic integration is based on the principle of “variable geometry” with the level of progress varying from country to country⁵. The bilateral free trade agreements between the EU and the SEMCs are dated differently: in 1997, Tunisia and Palestine were the first to sign the agreement; in 2000 Morocco and Israel joined in; Egypt joined in 2002, Algeria in 2005, and finally Lebanon in 2006. Morocco also signed a free trade agreement with the EU; further deepening negotiations are underway with Tunisia, Egypt, and Jordan. The European Union-Mediterranean Free Trade Area (EMFTA) itself faces a few difficulties and its implementation, announced in the Barcelona Declaration in 1995, has not yet taken a concrete shape⁶. At present, the project is essentially limited to reducing the custom duties for industrial products with agricultural commodities and services almost completely excluded from the process.

Thence, the EU needs to play a more significant role in the Mediterranean, not only as a model of successful economic integration, but also as an influential actor that can help the SEMCs countries to exploit the existing Euro-Mediterranean partnership for strengthening their South–South cooperation and integration (Strielkowski and Höschle, 2016). The potential offered by the synergy between the Euro-Mediterranean Partnership and the regional integration of the SEMCs themselves has not yet been sufficiently used even though the European neighborhood policy has clearly set the objective of promoting the development of regional and trans-regional cooperation between the Southern and Eastern Mediterranean countries and regions. Within this context, Biad (2013) emphasized the necessity of creating an economically integrated area at the sub-regional level, namely between the Maghreb countries located in the Western Mediterranean which would be beneficial not only for the Maghreb countries, but also for EU itself in terms of ensuring its growth and stability.

The joint communiqué from the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy of the 17th of December 2012 entitled: “Supporting the strengthening of cooperation and regional integration in the Maghreb: Algeria, Libya, Morocco, Mauritania and Tunisia” can be considered an important turning point in the European strategy up to date. The decision was made within the context of searching for the solutions to the crisis triggered by the Arab Spring as well with the aim to support the UMA member states in their efforts towards closer cooperation and sub-regional integration. The joint communiqué specifically mentions the need to “encourage” the efforts of the countries of the region in building a “stronger and more united Maghreb” capable of “facing common challenges”⁷⁸.

Euro-Mediterranean integration and higher education

The cooperation in higher education between the EU and the SEMCs exists mainly due to the opportunities offered through the European Higher Education and Research Area (EHEA). This area was created by the Bologna Process launched by signing a joint declaration in Bologna, Italy in 1999 which saw the European countries committing themselves to higher education reforms based

⁵ Khair, J. (2019). L'intégration euro-méditerranéenne: Le rôle des autorités locales et régionales. Arlem. Rapport pour discussion lors de la cinquième réunion de la commission ARLEM du développement territorial durable. Bruxelles, le 18 octobre.

⁶ Ibid.

⁷ Communication conjointe de la Commission européenne et de la Haute représentante de l'Union européenne pour les Affaires étrangères et la politique de sécurité. Soutenir le renforcement de la coopération et de l'intégration régionale au Maghreb: Algérie, Libye, Maroc, Mauritanie et Tunisie. Bruxelles, 17/12/2012, JOIN(2012), 36, final.

⁸ European Commission (2013). Enseignement supérieur: un pont entre les deux rives de la Méditerranée. https://ec.europa.eu/commission/presscorner/detail/fr/IP_13_582

on their shared values. The reforms are mainly focused on increasing staff and student mobility and improving their employability. Several institutional mechanisms were put into place to achieve these objectives, mainly the three-tier structure of study programs, the system for the recognition of diplomas and qualifications, and the tools for quality assurance of education.

Since the first meeting of the signatory countries, the EHEA has expanded quite rapidly to 49 European countries that joined the process by means of intergovernmental agreement. They have gradually been joined informally by several other countries that have decided to implement the reforms adopted under the EHEA in their education systems. The Bologna Process which is an important instrument for the modernization of higher education in the EU has since become a reference framework for the transformation of education systems also in SEMCs, where it has been gradually implemented since 2002 through the European Tempus program. This program proved to be successful in aligning the higher education systems in the EU and its neighboring countries.

What started with the Barcelona Declaration in 1995, carried on in Euro-Mediterranean Partnership (EUROMED) which set a goal of the creation of a free trade area by the year of 2010 based on the Euro-Mediterranean Association Agreements. Those were followed by the new European initiative called the “European Neighborhood Policy” (ENP) which aimed at strengthening the existing cooperation by adding a bilateral cooperation principle based on the development of action plans signed separately between the EU and each of the SEMCs. In 2008, a new regional dimension was added to ENP called “Union for the Mediterranean” (UfM), which had to pursue concrete projects and foster win-win partnership. One of the main priorities was an effort to increase economic growth throughout the region by recognizing the interdependence between the two shores and by looking for joint solutions⁹.

Despite the great potential of the higher education in shaping young people’s thinking and improving their integration into the labor markets, it lacked proper attention in all the integration initiatives described above, even though the EU made several attempts to prioritize it in its relationships with the Euro-Mediterranean region¹⁰. The Med CAMPUS programme of 1992 can be considered the first one and preceded the Barcelona Conference. It was created to strengthen the exchange of experiences of higher education institutions and to increase the development of human resources in the scientific, technical, and professional fields. It was intended to contribute to the economic and social progress of the partner countries. In 2003, the EU made the crucial decision to extend the Tempus programme, aimed at modernizing higher education systems through the development of inter-university cooperation, to the partner SEMCs. Since 2004, several bilateral agreements in the field of science and technology have been signed, first with Tunisia (2004) and then with other countries: Morocco (2005), Egypt (2008), Jordan (2010) and Algeria (2013). This strategy, consisting of 20 bilateral agreements, was also highlighted in UNESCO’s Towards 2030 science report in 2015. The report highlights the importance of “science diplomacy” and calls on it to further increase its influence in the world. However, it was not until 2007 that the first Euro-Mediterranean Ministerial Conference on Higher Education and Research was held in Cairo and the higher education agenda was put on the ministerial table. The attention of the secretaries was mainly focused on mobility. Partner countries were encouraged to set up centers, portals and contact points, as well as to launch national mobility programs, in order to encourage European students in particular to carry out part of their studies in the Mediterranean partner countries. Participating representatives expressed the need to introduce measures to simplify the granting of visas to ensure a balanced circulation of brains and a better exchange of knowledge. The conclusions of the ministerial meeting highlighted Slovenia’s intention to establish the first Euro-Mediterranean University which would be a major step forward in the creation of a Euro-Mediterranean area of higher education and research. This was done one year later at the inauguration of the Union for Mediterranean.

The first major project of the Union for Mediterranean was the Euro-Mediterranean University (EMUNI) founded on the 9th of June 2008 in Portorož, Slovenia. It focused on the mobility of knowledge and cooperation between universities by coordinating and facilitating joint academic and re-

⁹ Gendreau-Massaloux, M. (2015). Construire une autre méditerranée : enseignement supérieur, formation professionnelle, éducation. https://www.persee.fr/doc/diver_1769-8502_2011_num_164_1_3402

¹⁰ Lannon, E. (2019). La coopération en matière d’éducation, d’enseignement supérieur et de recherche et le développement d’une diplomatie scientifique et technologique euro-méditerranéenne. 10e Rencontre internationale de Cybèle, En amont du Sommet des deux rives, Forum de la Méditerranée. Paris: Euromed-IHEDN, pp. 46–54.

search activities. EMUNI develops and strengthens the academic and scientific innovations defined within the Union for Mediterranean framework in cooperation with partner universities, research institutes, and other relevant institutions from Euro-Mediterranean countries, which gives it a unique character. Its curricula are designed to promote the “mobility of ideas”, expertise and academic know-how, both in a North-South and South–South directions.

The establishment of another educational institution of regional importance, the *Euro-Mediterranean University of Fès* (Université euro-méditerranéenne de Fès, UEMF) in 2012, can also be considered an important milestone. Compared to the Slovenian EMUNI project, the geographical location on the southern shore is a comparative advantage of this university, which currently offers accredited master's degree programs in two main fields, namely 1) environmental engineering and 2) renewable energies and energy efficiency. The study programs are closely linked to the industrial sector, which is also facilitated by the university's research center in industrial engineering. Upon its founding, the UEMF also planned to introduce programs focusing on shared Euro-Mediterranean history, civilizations, heritage, and languages, as well as courses in information technology and entrepreneurship, some of which have already been put into practice¹¹. The emphasis on intercultural dialogue can be of great importance in terms of the joint development of the region and the management of migratory flows. Indeed, strong economic and social convergence in the Mediterranean region requires the establishment of strong cooperation. From this perspective, concepts such as cultural exchange and mutual understanding could in time become the basis of a “new Euro-Mediterranean culture” rooted in a common history and looking to the future together (Abballe-Boloré and Howse, 2009).

In addition to the above initiatives, the UfM places a particular emphasis on initiatives focusing on the transition from student to working life and on vocational education and training. It also contributes to the objectives defined in the 2017 Ministerial Declaration on strengthening of the cooperation through research and innovation, regarding the PRIMA and BLUEMED projects and migration-related issues. The Mediterranean initiative known as Med4Jobs, which focused on the following priorities: 1) employability, education, and technical training; 2) compliance between labor offer and demand; and 3) the creation of new businesses, plays an important role in the employability of young people and the position of women in society. The aim of the initiative was to single out the best practices and to have them transferred to the partner countries. A vertical, horizontal and bottom-up approach is applied to reach these objectives, and emphasis is placed on aligning activities with national employment frameworks and policies.

Education is also a key agenda under the ENP, where the EU has long sought to support partner countries in introducing reforms focusing on modernization of education systems as a prerequisite for strengthening their economic competitiveness and social and political stability. The ENP also emphasizes the issues of ensuring access to education for the citizens of partner countries and the contribution of education to the development of democratic societies. Much of the focus of the Neighborhood Policy is on vocational education and training, where the EU seeks to ensure that education systems in the SEMCs are adapted to the needs of the labor market and employers, as most of these countries have high unemployment rates, particularly among university graduates and young people with primary education. To achieve these objectives, the EU uses student mobility and lifelong education activities, where it has so far relied on several programs, notably Tempus, Erasmus Mundus and Youth in Action. In the 2007–2013 period, more than €140 million was allocated under the first two programs for the implementation of university projects focusing on the development of new study programs, retraining of teachers, new teaching methods and investment in technical infrastructure. A further €150 million was allocated for scholarships to enable students from the SEMCs to carry out part of their studies in the EU countries, with more than 4500 applicants from partner countries benefiting from this opportunity. European programs also provided funds for 750 academic staff to carry out exchanges with European universities¹².

According to some authors, the inactivity of ministerial meetings between the first Euro-Mediterranean Conference for Higher Education and Research and the ministerial conference organized in Valletta pointed at the unused potential. Attention has logically been drawn to other initiatives,

¹¹ Gendreau-Massaloux, as cited above.

¹² European Commission, as cited above.

namely the *5+5 Dialogue* as a platform for the Western Mediterranean involving five countries from the North Bank (Malta, France, Portugal, Spain, and Italy) and five countries from the South Bank of the Mediterranean (Algeria, Libya, Morocco, Mauritania and Tunisia), which was extended in 2013 to include higher education and research. The 5+5 Dialogue, also known as the Western Mediterranean Forum, initially began with meetings at the level of foreign ministers only (in Rome in 1990 and Algiers in 1991) and then expanded to include new ministerial agendas: Interior (1995), Transport (1995), Migration (2002), Defense (2004), Tourism (2006), Education (2009), Environment and Renewable Energies (2010), Agriculture and Food Security (2013), Water (2015), Economy (2013) and Innovation and Higher Education (2013), Finance (2017) and Culture (2017), with the activities of these ministerial conferences being led by the respective line ministries. Between 1992 and 2001, the 5+5 group froze foreign ministers' meetings following UN sanctions on Libya for its lack of cooperation in clarifying the Lockerbie bombing. Sectoral Ministerial Conferences on Home Affairs (1995) and Transport (1995) were organized as planned. Launched in Rome in October 1990 as the first forum for enhanced cooperation between the countries of the Western Mediterranean, the *5+5 Dialogue* was initially aimed at promoting the emerging Euro-Mediterranean policy and strengthening the integration of the UMA, which had been established only a year before its foundation. Thanks to its informal nature, the group has contributed to better integration in the Mediterranean region. The first *5+5 Dialogue* on Higher Education, Research and Innovation took place in Rabat (September 2013) and another two years later in Madrid (May 2015). The Third Ministerial Conference on Higher Education and Research took place in Tunis in 2017 and approved the 2017–2018 work program as well as the website (www.fiveplusfiveihe.org) which was developed in cooperation between Tunisia, Spain, and Italy as an essential source of information on projects and activities taking place within the framework of the *5+5 Dialogue*, as well as other platforms for cooperation in the Mediterranean region. The most recent summit so far was held on the 10th of June 2019 in Rome, where Ministers for Higher Education and Research from the Dialogue countries adopted new priorities to promote sustainable economic growth, social inclusion and create new opportunities for youth in the Western Mediterranean region. In a joint declaration, they expressed their political support for all the projects and initiatives of the UfM, focusing on research, innovation, higher education, as well as lifelong education and building of capacities of the universities and colleges in these countries.

The EU's involvement in education is still insufficient¹³. For this reason and according to him, in 2017 the Ministers for Higher Education of all UfM member countries asked the EU-MED Senior Officials Group on Research and Innovation to continue its efforts to establish "*close cooperation with the UfM Secretariat in defining research and innovation priorities in the Mediterranean region and actively promoting synergies and complementarities*", in particular by "*removing barriers, promoting balanced brain circulation, [. . .] reducing fragmentation, fostering integration, and promoting gender equality and ethics in research*"¹⁴. These steps should have been taken more than a decade ago, when the above areas were defined as priority areas within the emerging UfM¹⁵. From now on, therefore, it is essential to seek the political will and financial resources to focus attention on the key priorities in the 2017 Action Plan, which are focused on education and the position of young people in society.

Main benefits from the Euro-Mediterranean cooperation in higher education

Embedding the EHEA principles into the education systems in Maghreb fostered the Euro-Mediterranean cooperation not just in the field of higher education. It also enabled the southern countries to draw up a new policy for the development of education systems, with a strong emphasis on vocational education and training (VET), which should correct the existing noncompliance in the labor market. The planned reforms seek to consider the recommendations of the European Training Foundation (ETF), which has established a structured process for the consolidation of vocational education in all SEMCs. In particular, the lack inclusion of graduates in the employment, the weak impact of vocationally oriented education on the economies of the countries and the noncompliance

¹³ Lannon, as cited above.

¹⁴ Valleta declaration on strengthening Euro-mediterranean cooperation through research and innovation. 2017.

¹⁵ Lannon, as cited above.

between the skills acquired in the education process and the needs demanded by the labor market are major challenges in the Maghreb countries.

International mobility plays an irreplaceable role in this process, contributing to the development of social and economic links, not only between the SEMCs and the EU, but also across the Mediterranean. Student exchanges in the Mediterranean region are characterized by a unidirectional south-north character. To reduce this disparity, various regional initiatives aiming at harmonious and sustainable cooperation are aimed at increasing the intensity and quality of exchanges between students, academic and non-academic staff of higher education institutions, as well as the involvement of local subjects and society in general. A major challenge for the future remains to put in place strategies to promote the sustainable return of educated graduates by ensuring an attractive professional future in their home countries.

In addition to the above positive factors for the development of regional cooperation, the Bologna Process also contributed to the adoption of mechanisms for mutual recognition of diplomas, the creation of various cooperation networks, the development of joint study and research programs, the transfer of technology and, last but not least, the strengthening of the international importance of universities. All those aspects strengthened the Euro-Maghreb Higher Education and Research Area in which such important actors as the European Commission and other regional and international actors play their important parts through the Tempus-Meda, Erasmus Mundus, and Erasmus+ projects for enhancing the region's shared prosperity.

Conclusions and implications

All in all, it is apparent that institutional economics offers valuable insights into understanding and addressing the challenges faced by higher education systems around the world. We explored the institutional economics of higher education reforms and came to several conclusions.

Firstly, it is crucial to recognize that universities are deeply embedded in their institutional environment. Institutional economics emphasizes the importance of analyzing formal and informal rules, norms, and practices that shape university behavior. By considering these factors, policymakers can design reforms that align with local conditions, avoid unintended consequences, and maximize positive outcomes.

Secondly, institutional economics highlights the significance of incentives in shaping university behavior. Reforms must create appropriate incentives for universities to improve teaching quality, research productivity, and engagement with society. This can be achieved through performance-based funding mechanisms that reward outcomes rather than inputs alone. Fostering competition among universities can drive excellence while ensuring accountability through transparent evaluation processes.

Thirdly, another key insight from institutional economics is the importance of collaboration between universities and other stakeholders in society. Universities should engage with businesses, government agencies, non-profit organizations, and local communities to promote innovation and address societal challenges collaboratively. Such partnerships (e.g., the Euro-Mediterranean cooperation in higher education) can enhance knowledge transfer from academia to industry and promote economic development while addressing pressing social issues.

In the context of the economic and institutional change in the Euro-Mediterranean region, the potential embedded within the higher education and research sector has long been overlooked within EU policies. Despite education being a central focus of the European Neighborhood Policy, aimed at assisting partner countries in modernizing their education systems for enhanced economic competitiveness and social stability, the attention dedicated to these matters has been lacking. The revised European Neighborhood Policy, especially post the Arab Spring, prioritized vocational education and training. Here, the EU sought to ensure continual adaptation of education systems to the labor market's needs amid prevailing social and economic challenges.

To actively foster regional development, UfM has identified the establishment of a Euro-Mediterranean Education Area as a key objective. From its inception, the UfM emphasized the imperative of elevating education quality, launching institutional reforms in education, and aligning training with regional labor market requirements. This emphasis stems from the recognition that the education sector serves as a pivotal tool for economic and social convergence between the Northern and Southern shores of the Mediterranean. Institutional change in higher education were anticipated to rejuvenate the region, stim-

ulating economic growth across all Mediterranean nations. Consequently, the UfM extended its support to various regional initiatives, many focusing on aligning education systems and exchanging best practices.

In the wake of the Arab Spring, collaborative efforts in higher education have yielded valuable outcomes beneficial to both Mediterranean regions. These initiatives signify a step toward bridging the educational gap, thereby contributing to the economic and social progress of the entire Euro-Mediterranean area. It becomes clear that further development depends on the commitment on both ends: on the one hand, the society needs to see convincing and lasting results resulting from the educational policies, programs and reforms developed in the individual SEMCs, and on the other hand, there should be conditions for the EU to create the regional development of higher education and research that would be beneficial and fruitful for both shores of the Mediterranean sea.

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