Chapter 6
Higher Education Reforms and Their Socio-Economic Contexts: Shifting Funding Regimes and Competing Social Narratives
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Introduction
From a structural perspective of funding and governance, until 2010-2011, Polish universities have remained largely unreformed in the last two decades, following the initial radical changes right after the collapse of communism in 1989: their adaptations to new postcommunist and market realities were much slower than adaptations of other public sector institutions and organizations, including other parts of the traditional welfare state: social assistance, pension schemes, healthcare provision and primary and secondary education. The latter were substantially reformed in the period from the mid-1990s to the mid-2000s. In two decades (1990-2010), higher education system was steered by two new laws on higher education: the 1990 Law, introducing academic freedom and institutional autonomy (leading to the emergence of the Polish State Committee for Research in 1991, an independent grant-making agency), and the 2005 Law, adapting the system to the Bologna Process requirements. The core of the system, including its relatively non-competitive funding modes, heavily collegial governance modes, and a complicated, obsolete, multi-level system of academic degrees and academic careers, remained largely untouched until the end of the 2000s. The amendment to the 2005 Law was passed in March 2011 and it is the second stage of the recent wave of higher education reforms, the first implemented in 2010 and consisting of six new laws regulating the functioning of research. Clearly, in the wave of recent reforms and discussions preceding them (2008-2011), Polish universities are viewed by policymakers as “instruments for national policy agendas” (see Olsen 2007: 26-28) and they are only to a limited degree encouraged, through new governance approaches and funding mechanisms, to become more market-oriented.

Several contextual generalizations need to be offered first to see recent Polish reforms in a wider perspective. First, higher education systems in Central European countries have faced generally the same challenges as those in other OECD countries, but in the double unfriendly context of the need to radically change the structure (and focus) of their former educational systems while operating in tough fiscal and economic environments (Barr 2005). The massification of higher education in Central Europe occurred with a delay compared with Western European systems, but it took place in a specific context of public underfunding for old public institutions and the emergence of new private institutions opening their
doors to hundreds of thousands of new students, with mostly non-traditional socio-economic backgrounds.¹ So higher education challenges in the region have been generally the same as in Western Europe, but the economic context of massification processes was different. One aspect was that the growth of the higher education sector was somehow self-financed by students: it was only in 2006, after 16 years of the existence of the private sector in Poland, that the private funds going to public institutions through fees for part-time students were smaller than the private funds going to private institutions, which shows how important private funding was for the growth of public and private higher education sectors (see Kwiek 2009a, 2010).

Second, since the Second World War universities in Central Europe were functioning under communist regimes for almost half a century. Therefore their current institutional identity is either based on the traditional Humboldtian model, generally leading to the two decades between the two world wars. Alternatively, their historical identity is too novel, in the sense of being mainly rooted in the postwar communist period – which is useless in constituting a socially appealing narrative in societies undergoing abrupt transformations towards a market economy. Therefore, basic underlying university-produced ideas about the university, its fundamental constitutive rules and practices, which might lead to convincing social narratives linking its past to its future, are much less socially relevant in the Central European region than in Western European countries (I am using the term “narrative” in a way parallel to Geiger and Sá’s usage of the term “innovation narrative” in their recent Tapping the Riches of Science. Universities and the Promise of Economic Growth: for them, “innovation narrative” – which accords a strategic role to research universities in generating growth – is prevalent today and is found compelling by both journalists, scholars, and decision makers in industry, government and higher education. In a similar vein, narratives produced extensively by academic communities in postcommunist countries, Poland included, were found prevalent and compelling by postcommunist societies at large for more than a decade. In general, they served a single interest: to protect higher education systems, especially their elite parts, from reforms that would be more than cosmetic, would introduce more market forces and more competitive funding regimes linked to both teaching and academic performance, and international

¹ As Nicholas Barr put it, in EU accession countries, the governments were caught between conflicting imperatives: “the constraints of the Stability and Growth Pact, and the demands of other parts of the public sector – unemployment benefits, active labor market policies, poverty relief, and policies to address social exclusion, pensions, healthcare, and school education. The resources to finance mass, high-quality higher education from taxation were simply not there” (Barr 2005: 243). One of the implications of the above determining factor was huge demand-absorbing growth of the private sector in several transition systems, including Polish, Bulgarian, Romanian, Lithuanian, as well as Russian and Ukrainian – discussed with reference to Poland in a Chapter 5 in the present Volume.
comparisons; see Geiger and Sá 2011: vii-7, on the “innovation narrative” and the narrative of economic relevance of modern research universities). In Western Europe, prevalent ideas about the post-war university have been taking roots in the last half a century, together with the emergence of the post-war Western European welfare systems, or welfare systems of “rich democracies” (Wilensky 2002). Central European countries were neither “rich”, nor “democracies”, and therefore there are currently no stable and relevant reference points in producing narratives about social and economic roles of universities. In the absence of powerful, commonly shared and historically-rooted ideas confirming the identity of the academic profession and the rationale for academic institutions, future reforms can take unexpected turns, with or without the support of the general public and the academic community. Also the impact of international reform agendas of higher education, promoted worldwide by supranational organizations, can be potentially higher in Central Europe, in the absence of strong national narratives which would be both forward-looking and socially relevant.

Third, throughout the last two decades, funding has been the most central issue in public debates in Poland on higher education and its reforms. University autonomy (granted in 1990) and university governance, despite public declarations, are of minor importance, by comparison, both for university stakeholders and for policymakers in higher education. Consequently, the essence of the current reform wave is in its new, competitive funding mechanisms, rather than in its reformed governance mechanisms. Research funding (and possibly teaching funding) becomes much more competitive and performance-based.

Fourth, in Central Europe, many of the core concepts referred to in higher education policy reforms are introduced by international and supranational actors; in the Polish case, they most often come from the OECD and the European Commission. The competing ideas on how to reform Polish universities refer to two fundamentally different repositories of concepts, and serve different interests. On the one hand the government, as well as a tiny community of higher education researchers, refers to international reform vocabularies and ideas, albeit often adapted to national needs (global and European scripts are filtered for national purposes, see Gornitzka and Maassen in Chapter 4 in this Volume). On the other hand, a large part of the academic community refers to traditional, national conceptual frameworks, in which, for instance, the third mission of the university beyond teaching and research is inconceivable, and the universities’ role is “new public responsibility” or “new service”, as in the recent Rectors Conference strategy of 2010. The six major objectives in the other, competing recent Polish higher education strategy (produced by Ernst and Young company and a Polish think tank, IBNGR) come from the standard OECD educational research and policy reforms vocabulary (EY/IBNGR 2010). Different ideas and conceptual tools lead to different draft national strategies, underlying different future (beyond the 2011 law) changes in legislation.
Fifth, historically speaking, reforming the welfare state, or, more modestly, changing social policies in Central European countries in the first decade following the collapse of communism, basically did not mean reforming higher education systems. Other public services were viewed as substantially more important at that time. The higher education sector, after granting academic freedom to academics and institutional autonomy to institutions in the early transition years, was in general left on its own, with no major governmental long-term strategies, and with a powerful policy emphasis on increasing access to higher education. And even those other public services were located high on the political agendas in Central European countries generally only in the second half of the decade, after 1995. In the early years of the transition period, both domestic and, especially, international policy actors were paying little attention to social policy (setting up unemployment systems was the only area of priority concern at that time) and no attention to higher education policy. Neoliberal policymakers of the time focused on stabilization, liberalization, and privatization policies (Orenstein and Haas 2005: 145ff). As could be expected, the general lack of reformers’ focus on higher education had far-reaching consequences for the next decade (the 2000s). A decade and a half of small-scale changes in public higher education in Poland have only recently been followed up by large-scale changes, introduced gradually by subsequent public discussions, laws and regulations since 2008, as part of the 2008-2011 wave of reforms. New regulations and their expected culmination in an amendment to the 2005 law on higher education (March 2011) introduce fundamentally new rules of the academic game, as discussed below.

**Incremental changes leading to a large-scale transformation?**

The focus on funding reforms in the public debate on the future of universities and in policymakers’ discourse is clearly understandable. In the last few years, even prior to the economic crisis (which has hit Poland only marginally, so far), no governmental policy projections assumed increased public funding for higher education or for research performed in higher education. In the current wave of reforms, no possibilities of a substantial increase in overall public funding for both areas are mentioned, except for a new “pro-quality subsidy” to be used for new, selected on highly competitive basis, KNOWs (National Leading Research Units) and increased doctoral stipends. The fundamental assumption of almost every piece of legislation related to higher education under discussion in the Polish Parliament in the last two years is its core final clause: the proposed act will have “neutral impact on the public budget”, meaning: no increases in overall public funding levels are expected. Higher education, as well as research in higher education, has not stopped being a low policy priority, as conceptualized already in 1997 in a study about Central Europe of the 1990s (Deacon 1997); it still is a low priority, regardless of which political party is in power. With the new wave of reforms, the
previous model of the “misery for all” (i.e. very limited and generally non-competitive research funding, allocated to all rather than to most competitive units and academics through research grants), will be replaced with a new model of competitive, mostly grants-based research funding. New mechanisms of allocating research funding are expected to be much more performance-based and aimed at providing competitive individual or group research grants rather than institutionally-distributed lump-sums for research. But national funding levels are going to remain the same. New national research funding bodies were (December 2010) set up, following the models of Western European national research councils and, in the case of a newly established National Research Council (NCN, or Narodowe Centrum Nauki) in Cracow, the model of the European Research Council. The establishment of research priorities of the new body, as well as the modes of distribution of research funding provided to the Council by the state, have been left to the future decisions of its Board members, selected by the minister-appointed commission from among academics proposed by all high-ranked academic units in the country. A body with a similar structure and competences has been formed for the distribution of funds for applied and development research, with an equal participation of board members selected by the academic community (as in the case of NCN), the business community, and several ministries: the National Council for Research and Development (NCBIR, or Narodowe Centrum Badan i Rozwoju).

Policy proposals from 2010 might introduce more financial austerity for public higher education institutions in the future: a higher education strategy under public discussion (EY/IBNGR 2010), in accordance with ministerial policy plans, assumes that current public funding allocated to public institutions will be allocated on the basis of large-scale public bids for particular teaching services, open to both public and private sectors, leading potentially to even less public funding available for public institutions. The idea of unfair competition between the two sectors has been repeatedly referred to in policy debates – but without reference to the parasitic relationships between the two sectors in the last two decades, throughout Central and Eastern Europe: private institutions making use of publicly-employed academics and their research prestige used for attracting students to the emergent private sector.

There is a useful distinction drawn by institutional studies between “changes within fairly stable institutional and normative frameworks” and “change in the frameworks themselves” (March and Olsen 2006b: 14). Central European transformations in higher education in the early 1990s clearly belong to the radical, latter, while transformations in the 2000s are more of the incremental, former type. But in the Polish case the most recent wave of reforms could have a potential of changing again “the frameworks themselves”. It is too early to have solid evidence, though; regulations accompanying the amended law are still in the making. But we
can refer here to processes of constructing new institutional norms and new academic codes of behavior, clearly intended to replace formerly predominant ones.

The level of public dissatisfaction with universities in Central Europe is high but not critical. The media and the governments tend to present universities in dark colors and radical policy changes are suggested (rather than, so far, radical reforms are actually implemented). Public trust in higher education has been eroding for a long time, and policymakers are seeking new governing rules in response to this public dissatisfaction and in view of transformations changing higher education funding and governance throughout Western Europe. This is clearly the case confirming that

Institutions require continuously renewed collective confirmation and validation of their constitutive rules, meanings and resources. Yet all institutions experience challenges, and some turn out to be fragile and unable to reproduce themselves. The basic assumptions on which an institution is constituted and its prescribed behavioral rules are never fully accepted by the entire society. … Institutions may recede into oblivion because trust is eroded and rules are not obeyed (Olsen 2008: 9).

Unlike the situation at the beginning of the 19th century, universities will not fall into oblivion (Rothblatt and Wittrock 1993, Kwiek 2006) – but they are viewed in recent higher education strategies throughout Central Europe, echoing their harsh criticism in European-level documents, as in need of radical reforms. The alarming tone of governmental statements about Polish universities is not different from the alarming tone of European Commission’s communications about European universities in general – but the former is clearly much more justified.2

Transformations of postcommunist universities in Central Europe can be viewed as resulting from several powerful, interrelated, internal and exogenous, pressures. First, there were internal pressures to continue with rules and organized practices inherited from the communist period, second, there were internal pressures to survive in the turmoil of economic “shock therapies” of the beginning of the 1990s and beyond and in the midst of fundamental financial austerity (incomparable with the situation in the 1970s and the 1980s under communism. This is where the resource dependence perspective could be useful: as Pfeffer and Salancik argue, “the key to organizational survival is the ability to acquire and maintain resources”, and this is what was key in the 1990s, (Pfeffer and Salancik 2003: 2). And, third, there were internal and exogenous pressures to design and employ new rules and organized practices, responding to the three guiding principles of the reforms in the early 1990s: academic democracy, academic

2 The alarming tone is global, and all governments seem to like to use it in describing their higher education sector. In the US – the system in most explicit competition with European higher education, and viewed as an inspiring model to the European Commission in general – the tone is not different at all: the Spellings report stated in its preamble that American higher education needs to improve “in dramatic ways”, it requires “urgent reform” and its “change is overdue”.

freedom and institutional autonomy. Transformations of universities in the 1990s were specific in kind, and distant from those designed and ongoing in Western Europe.

Like other hitherto stable social and economic institutions, also postcommunist universities in the early transition period found themselves in a temporary social and cultural vacuum and were unable to either easily return to their “business as usual” course from the communist period, or to adapt to new “Western” ways of functioning (under different governance and funding modes). As a consequence, they are still under largely intuitive construction. The very understanding of what “Western” meant was unclear, the only publicly shared assumption being that “catching up with the West” was somehow inherently good as a direction of changes generally, but not necessarily so in the area of higher education. Suddenly, and to an extent unexpectedly, a “relatively stable collection of rules and practices” embedded in structures of meaning and structures of resources – that is, academic institutions in March and Olsen’s definition (March and Olsen 2006a: 691) – faced huge organizational and financial challenges and had no elaborate guidance on how to handle these in the form of clear national policies or clear national strategies. Inherited academic identities, rules and habits, patterns of thinking and acting, routines and practices, academic norms, culture, and ethos were useful in institutional survival strategies only to some extent. Rule-following (traditional rules), for a time lasting from between a few years and a decade, did not work, as rules inherited from communism were deemed obsolete, authoritarian, anti-democratic, and new rules were still in the making, although quickly shared. External shocks related to “postcommunist transition” in economy and the financial austerity prevalent throughout the 1990s were driving the dynamics of institutional change. Academic institutions (and academics) were responding to mostly economic shocks in the way a resource dependence theory expects them: seeking how to manage to survive.

The solutions to the problem of the economic survival of public universities in the 1990s – the prolonged, widespread, systematic denigration of the research mission of the university, and the focus on part-time teaching and fees accompanying it – stopped them from thriving in the 2000s and beyond. One reservation needs to be added, though: the research focus of Polish universities (as well as of the Polish Academy of Sciences) in the 1970s and the 1980s was not an ideological construct. Leaving the omnipresence of communist ideology in university administration and its less prominent presence in curricula of educational institutions aside, there were clear rules of what research productivity meant, how research results were linked to academic promotions; it was generally clear who was who in and what was the research condition of a given institution. Except for selected disciplines, mostly in social sciences and economics, the research mission of the university was clearly defined and norms, culture and ethos of university research activities were fully accepted by the academic community. Nonetheless,
from a European comparative perspective, “research under communism” might be described, at least in some ideologically-sensitive areas, as “communist research”.

The academic culture which emerged in the 1990s is still defining codes of academic behavior today, forming an internal blocking mechanism which cannot be easily overcome as it is based on norms and codes of behavior internalized by thousands of academics who see their primary legitimate role in the university sector as teaching. In the 1990s, new, temporary patterns of academic behavior emerged. Routines and practices which took root in the institutions were delinked from previous routines and practices. There were two main sources of renewed academic behavior: the weakening of traditional rules (which in research universities combined teaching and research) resulted from the coexistence in the mid-1990s of financially deprived public sector institutions and financially thriving private sector institutions, followed by the emergence of large-scale fee-paying studies in the public sector itself. Privatization of higher education led to the fundamental reconfiguration of which actions were believed to be “appropriate, natural, and legitimate” (Olsen 2010: 127) in public universities. The “logic of appropriateness” seems to have failed. Essentially, the shadow of the austere 1990s and individual and institutional survival strategies of the 1990s continue to have a powerful impact on new generations of researchers and subsequent educational policies in the next decade and a half: until the last wave of reforms in Poland, the research mission of the university was becoming increasingly obsolete, in both academics’ minds and in rare and inconsistent governmental strategies. Permanently low public investments in research and development in higher education reflect the view of policymakers of universities as teaching-focused rather than research-intensive institutions. Academic institutions (and academics) were essentially left on their own to survive in the 1990s, and they survived, refocusing their attention away from research and on fee-based teaching, in either public or private sectors. The accompanying costs of external stakeholders not being willing or able, or both, to reform academic institutions in the 1990s are still high today. When debates about possible directions of reforms became intense in the early 2000s, the teaching focus of universities was only marginally criticized. Clark’s “academic oligarchy” in Poland (Clark 1983) was widely promoting its own views of what appropriate academic norms of conduct and codes of behavior were, what was acceptable as academic identity, and what was the essence of belonging to the academic community. In this the important point was to keep the status quo of the transition period of the 1990s as long as possible: to be able to focus on (privatized) teaching, preferably in at least two institutions.

**Social narratives about universities and their futures**

The academic communities in Central Europe in the last two decades have been successfully producing (and presenting to the policy makers and the general public)
powerful self-protecting narratives about universities as institutions which should be heavily guarded against any influence of market- or competition-oriented mechanisms. Throughout the region, the narrative of national “academic traditions” and that of “institutional exceptionalism” were extremely successful. It is only in the last few years that supranational ideas (especially of the European Commission and the OECD) are gaining enough strength to become gradually translated into national legislation, as in the Polish case. Consequently, self-protective narratives are losing grounds and their social appeal is diminishing.

Thus, until recently, a regional academic narrative focusing on national academic “traditions” and “institutional exceptionalism” of universities as organizations vis-à-vis other public sector organizations, was very powerful, as was a regional academic narrative focusing on “exceptionalism” of postcommunist universities vis-à-vis their Western European counterparts, with the prevalent denigration of the value of any international or global ranking exercises. Both narratives have become considerably weaker in the last few years, due also to prolonged public debates about low or extremely low positions of Central European universities in global rankings, which led to bigger social pressures to reform higher education systems, eagerly used by governments.

The narratives of academic “traditions” and of “institutional exceptionalism” existed in internal and external versions: with respect to other public sector organizations locally, and with respect to Western European universities internationally. They were so powerful that, in general, privatization policies, so widely spread all over the region and all over the public sector, were basically not applied to higher education sector, except for revenue-driven, autonomously self-imposed, internal privatization: charging fees from part-time students. While the pension systems in the region were widely privatized, and while healthcare systems in the region were also reformed and opened to privatization, for instance, via the encouragement of the emergence of private, individual policy-based healthcare – the public higher education sector was relatively immune to both privatization and marketization trends owing to the two socially convincing narratives (produced by Clarks’ “academic oligarchy”), often in national variants. With one exception which suited the academic community perfectly: fee-based studies in a nominally free public sector, and competition in the private sector for multiple-employment, while keeping basic employment in the non-competitive public sector.

The narratives in question were not substantially different from those used in the last twenty or twenty five years in Western societies, and constituted e.g. of references to Magna Charta Universitatis or to various Council of Europe and European University Association documents – but they were considerably more effective. They managed to keep the higher education sector practically unaffected by external pressures to reform and undisturbed by external stakeholders, including the state and the labor market representatives, for more than a decade.
Universities in Central Europe, Poland included, are no longer able to produce convincing social narratives in defense of their traditional roles in society – as their historical rootedness is either too far-reaching into the past (that is, too explicitly Humboldtian, too resembling the Ivory Tower ideal), or too regionally idiosyncratic and “tainted” by the period of communism. In both cases, their historical rootedness, and resulting narratives linking their past to their future, are increasingly viewed by Central European societies (as well as policy makers and the media) as interesting but largely irrelevant for current and future challenges. Central European societies increasingly hold stronger views about all public sector institutions, universities included: the need for reforms is widely held, and eagerly taken by governments. Eurobarometer surveys of students in EU-27 clearly indicate that a new generation of students in the region is considerably more market-oriented than their Western European counterparts. They expect a different focus from their educational institutions, including a much wider participation of external stakeholders in both university governance and in curricula development. They stress much more than their Western colleagues the role of university-industry collaborations and industry internships for students, refocusing of study programs towards labor market needs and wider participation of students in university governance. It is quite possible that their expectations are related to the two decades of existence of a student-centered private sector, next to a faculty-focused public sector. Societies seem to be accepting new ideas about the social role of universities in which (virtually unheard so far) voices of students and the business community are being increasingly heard.

Following Maassen and Olsen (2007), the chapter assumes a fundamental difference between instrumental and institutional perspectives in viewing the university. In an instrumental perspective, the university is involved in a “set of contracts”: “support, economic and otherwise, depends on contributions. Change reflects a continuous calculation of relative performance and costs, and the University, or some of its parts, will be replaced if there are more efficient ways to achieve shifting objectives”. An institutional perspective assumes that well-entrenched institutions “reflect the historical experience of a community, that they take time to root and they are difficult to change rapidly and radically”. As an institution, the university is involved in a pact based on “long-term cultural commitments” (Maassen and Olsen 2007: 27). The instrumental view of the university dominates most reform programs and debates, both at the European level and at national levels, Poland included. Olsen raises a fundamental issue relating the university and the society through a long-term pact:

The University, in Europe and elsewhere, is currently involved in changes that have a potential for transforming its institutional identity and constitutive logic. At stake are the University’s purpose, work processes, organization, system of governance and financial basis, as well as its role in the political system, the economy and society at large. The rethinking, reorganizing and refunding of the university are part of processes of change in the larger configuration of institutions in which the University is embedded. … The
current dynamics raise questions about the University’s long-term pact with society:
What kind of University for what kind of society? What do the University and society expect from each other? (Olsen 2007: 25).

As Gornitzka et al. (2007: 181-214) argue, behind such labels as “a Europe of knowledge”, there is “a search for new (foundational) pact” between the University, political authorities and society at large. Poland is a perfect example of tensions between viewing the university as an institution and viewing it as an instrument (for national political agendas) and, at the same time, the pact between the university and society seems considerably weakened.

In the absence of convincing ideas about the future of universities produced by universities themselves (universities feeling lost in the midst of ongoing social and economic transformations), new ideas are increasingly being produced by the state, especially governments involved in reform programs. Not surprisingly, in these new discourses (for instance, the 2005-2008 first, and, especially 2008-2010 discourses about the need of reforms in Poland), universities are clearly viewed as “instruments for national political agendas” rather than as “institutions” (Olsen 2007: 26-28). Both arguments supporting the direction of reforms and reforms themselves clearly demonstrate that universities in Poland are no longer viewed as “specific organizations” (Musselin 2007: 78-79). While Musselin’s answer to the question about the specificity of universities as organizations in Western Europe is positive, reform programs in Poland show at least concerted efforts to make this specificity irrelevant and to introduce to higher education system non-academic, or business-originating models.

Universities in Poland seem unable to protect both their institutional identity and their institutional integrity, unable to produce and promote a common, socially convincing and relevant narrative for the society at large about the social, cultural and economic future of academic institutions. But institutions without powerful, legitimizing, founding ideas at their disposal are much more easily subject to radical reform programs – which may be the Polish case of 2008-2011 and beyond. Under specific historical circumstances, in the absence of strong defense mechanisms in the form of convincing and relevant social narratives, even such historically-embedded institutions as universities are at the mercy of politicians and political parties. The Polish reforms of 2008-2011 may lead in fundamentally unexpected directions, even though the era of shock therapies of the early 1990s, when almost anything could happen to almost any social area, has been over for a long time. The absence of convincing narratives produced by the academic community and defended by the academic community (creating their identity) combined with the double factor of the existence of weak, unconvincing, backward-looking narratives produced by the traditional academic oligarchy and of the government willingness to reform the sector rightly viewed as unreformed, may lead to changes which can be uncoordinated, chaotic, and unsystematic.
The “pact” between the university and society in Poland, to refer to Maassen and Olsen, may be weak. One of possible defense mechanisms is shown by Olsen when he discusses “institutional imperialism” or the will to achieve ideological hegemony of one institutional sphere (like politics) over another institutional sphere (like universities):

typically, an institution under serious attack reexamines its pact with society and its rationale, identity and foundations, its ethos, codes of behavior and primary allegiances and loyalties. ... A possible outcome is the fall and rise of institutional structures and their associated systems of normative and causal beliefs and resources. Arguably, the University now faces this kind of situation (Olsen 2007: 28).

So far in Poland, the reexamination of the ethos is not happening, despite fervent public debates. The government grip on universities has never been so strong in the last two decades as it is at the moment, and the future of public universities has not before been so unpredictable. Support mechanisms for reform programs include national and (especially) international reports, debates and data analyses alarming the public at large about the low research performance of universities, but public interest in higher education is short-term, and the overall social feelings of utter dissatisfaction, urgency for reforms, and of systems being on the verge of collapse, do not seem to work as catalysts for large-scale systemic changes. The levels of overall satisfaction of students in the region, for example, are comparable, or higher, than those of their Western colleagues (see Eurobarometer 2009).

What seems to matter more for the overall strength of the instrumental view of the university prevalent in the region is the relatively weak foundation of traditional organizational and funding patterns. Both the communist period and the two decades of postcommunist transformations are not strong enough, or legitimate enough, reference points for the production of convincing narratives based on the vision of the university as a community of scholars. Consequently, universities in the region – if, as in Poland, exposed to the pressures of comprehensive instrumental reform initiatives strongly supported by political programs – seem much weaker partners in a stakeholders’ dialogue about their future than universities in Western Europe. Polish universities might witness further incremental changes, as in previous years, but more probably they will witness massive, tectonic shifts in the very roots of their governance and funding regimes.

**New rules of the (academic) game: more autonomy and more competitiveness**

Reform attempts in Poland in the last few years are based on and lead to further development of (and new thinking about) the university as an institution functioning among other institutions. Or, even more, and an institution being constructed as an organization functioning in the environment of other
organizations. Reform attempts are accompanied by incremental changes so far, i.e. slowly changing ways of organization and funding. The changes included in draft regulations under discussion indeed have a potential for transforming both institutional identity and constitutive logic of Polish universities. Which is not unique to Poland in any way, and not unique to Central European countries.

The reform attempts of 2008-2010 introduce, for the first time in the last two decades, fundamentally new rules of the game: for the first time the state is becoming a stakeholder with its own, distinct say in higher education. And for the first time, a say of the state as a stakeholder is different from a say of (the part of) the academic community represented by the rectors’ conference (of academic higher education institutions, KRASP) as a distinct stakeholder.

The reform initiatives may be regarded as a beginning of a passage from one order to another order, with different normative (and organizational) principles (Olsen 2008: 9). The ministerial documents defining “Basic Assumptions” (which officially accompany amendment to current legislation) show the extent to which the new order is potentially different from the previous order. There are six major weak areas in Polish higher education to which new legislation responds: no funding streams awarded to universities directly on the basis of high quality teaching and research (no quality-supporting mechanisms through funding); low levels of internationalization of studies; inadequate structure of study programs, with huge overrepresentation of study programs in the social sciences and education; complicated career ladders for academics; obsolete management modes; and weak links between universities and their socio-economic environments.

Consequently, the changes to be introduced in the amended law focus on three pillars: first, “effective model of management”, two, “dynamic model of academic career”, and three, “effective model of education” (MNISW 2010: 3). The fundamental changes are related to increased university autonomy, wider use of quality mechanisms in teaching and research and stronger links between universities and their environments.

In particular, the four clearly defined strategic goals of the new legislations are the following: university differentiation, university autonomy, competitive funding (“the promotion of institutional culture of acquiring resources in competitive ways”) and quality. Current levels of higher education funding is expected to be complemented with new national “pro-quality subsidy” intended to be allocated on a highly competitive basis to top performing organizational units of public and private sector institutions (i.e. faculties rather than institutions; those units will be accorded the status of KNOWs, or Leading National Research Units); to be used for increasing PhD stipends of 30 percent best performing PhD students; to be allocated to those faculties which receive “excellent” notes from the State Accreditation Commission (PKA); to be allocated for best private higher education institutions to subsidize their doctoral studies; and, finally, to be used for the
implementation of internal quality assurance mechanisms linked to National Quality Frameworks.

University autonomy will be increased through leaving the decision of opening new study programs to faculties rather than, as so far, leaving it to the Ministry and its closed national list of study programs possible. These so-called “standards of education” will be abolished, and most top research performing and autonomous faculties will be able to open and close down their study programs. Other faculties will still need Ministry’s approval for new programs. Study programs offered will be defined by learning outcomes, linked of both National Quality Frameworks and European Quality Frameworks. Universities will be obliged to prepare their own regulations concerning intellectual property and principles of the commercialization of research results. The integration of universities with their socio-economic environments will include education together with employers, education at the request of employers, and the involvement of practitioners from the world of business in defining learning outcomes and study programs is vocationally-oriented study areas. KNOWs will be selected in 8 field of knowledge (including social sciences, humanities and the arts), and there will be no more than 3 of them in each field. Their funding will be allocated for 5 years, and their selection will be done with the involvement of leading international experts in particular areas and will be related to evaluations performed by a new quality assurance agency, KEJN (The Committee for the Evaluation of Research Units). In university management, there will be two alternative procedures to have a new rector: either in a traditional way of university-wide elections, or in a new way of competition between applicants. In most general terms, a dynamic model of academic career means less complicated procedures related to obtaining PhD degrees, Habilitation degrees, and Professorship titles, more transparent and more closely related to measurable, objective criteria. A new model of education includes closer links between study programs and labor market needs, increased internationalization of studies, and increased rights guaranteed to students as consumers of paid and free educational services in both higher education sectors. The two overarching dimensions of changes are autonomy and competitiveness, and there is a long catalogue of detailed changes increasing university autonomy vis-à-vis the Ministry and increasing competitiveness of both teaching and research funds available to both sectors (MNISW 2010: 1-14).

The new law refers directly to the private sector. And the future of the private sector will determine future trajectories of development of the public sector. The growth (and possible gradual decline within a decade) of private higher education in Central Europe is a wider phenomenon, related to the privatization agenda in social policy (in Jacob. S. Hacker’s *The Divided Welfare State*) which generally has four main priorities: “the first is the scaling back of direct government action to encourage thrift, self-reliance, and private provision. The second is the expansion of subsidies for private insurance, savings, and charitable activities. The third is
increased government contracting with voluntary organizations and for-profit service providers. The fourth and the most ambitious goal is the infusion into established programs of vouchers and other mechanisms that would allow (or require) to opt out of these programs and obtain benefits from private organizations instead. In contrast with radical retrenchment, neither contracting nor opt-out provisions eliminate the government’s primary role. Rather, they shift its emphasis from direct state action to the management and oversight of private actors operating within a new framework of regulatory authority” (Hacker 2002: 319). Polish higher education reforms include strong elements of the first priority (encouraging financial self-reliance) and the second priority (the possibility, under discussion, of direct subsidies to the private sector via contracting educational services from them, on the basis of nationwide bids for educating in-quota students in particular numbers in particular areas of studies and the possibility, under discussion too, of subsidizing full-time students in the private sector, currently 17% of private sector enrollments, totaling about 98,000 students in 2010). Vouchers and related financial mechanisms are not considered in policy discussions, though. The wave of reforms in higher education – as well as a decade-long reforms of healthcare system – can also be viewed as a way of “constructing organizations” out of public services, as “organizatory reforms” (Brunsson and Sahlin-Andersson 2000). The difference between the state as a single organization consisting of many sub-units prior to the reform attempts (public higher education services, public healthcare services etc.) and the state as “a kind of polycentric network consisting of many separate organizations” is becoming more clear:

Whereas relations between public entities used to be characterized by many of the typical attributes of large hierarchies, such as setting rules, giving orders, inspecting and providing information, their interaction now includes features that are more typical of the relations between autonomous organizations, such as competition, collaboration, negotiation, advising, contracting, selling and buying (Brunsson and Sahlin-Andersson 2000: 730).

Negotiations, contracting, selling and buying in the healthcare sector following the 1999 reforms are (at least rhetorically) standard practices; the same practices are emergent in the higher education sector together with a new wave of reforms (and possibly in the next wave of reforms, based on new strategies for higher education development). What the recent wave of reforms brings about to Polish universities can be also referred to as processes leading to “the rationalization of universities as organizations” (Ramirez 2006): as other organizations, they are increasingly expected to have goals and plans for attaining them, and are becoming more formally organized. As Ramirez notes, “the idea that an entity should be influenced by the ‘best practices’ of other similar entities is more likely to take place if the entities are imagined as formal organizations rather than as historically rooted social institutions” (Ramirez 2006: 240-241). Universities are in the process of being “turned into organizational actors” and are on their way of “achieving full
organizational actorhood” (Krücken and Meier 2006: 253). They are required in the new law to have elaborate institutional strategies, and in draft national strategies – they are expected to present their missions and visions, to be accepted by boards of trustees.

Olsen (2007) suggested four “stylized visions” of university organization and governance: the first portrays the university as “a rule-governed community of scholars”, the second as “an instrument for national political agendas”, the third as “a representative democracy”, and the fourth as “a service enterprise embedded in competitive markets” (Olsen 2007: 28-33; each vision was developed in more detail, respectively, by Nybom, Gornitzka and Maassen, de Boer and Stensaker, and Salerno, in Maassen and Olsen 2007: 55-134). The four visions of the university generally coexist in time, being “enduring aspects of university organization and governance. The mix of visions varies over time and across political and cultural systems”. As Olsen notes, “if support is conditional and a question of degree and the four visions are both competing and supplementing each other, there will in some periods and contexts be a balance among the different visions. In other periods and contexts one vision may generate reform efforts, while others constrain what are legitimate and viable solutions” (Olsen 2007: 36-37).

There are several defining features of the first and the second visions as presented by Olsen. In the first vision, university operations and dynamics are governed by internal factors, while in the second vision, university operations and dynamics are governed by environmental factors. The university’s constitutive logic is identity based on free inquiry, truth finding, rationality and expertise, while in the second vision it is administrative: implementing predetermined political objectives; criteria of assessment are scientific quality in the first vision and effective and efficient achievement of national purposes in the second; reasons for autonomy mean that authority to the best qualified is the constitutive principle of the University as an institution in the first vision and means that they are delegated and based on relative efficiency in the second vision. And finally, change is driven by the internal dynamics of science, it is slow reinterpretation of institutional identity, and rapid and radical change occurs only with performance crises in the first vision; and change means political decisions, priorities, designs as a function of elections, coalition formation and breakdowns and changing political leadership in the second vision (Olsen 2007: 30, Table. 1). (Clearly the 2008 change in political power in Poland, following the elections, meant the abrupt ending to one reform program, and beginning of preparations of a different reform program, now in the implementation period). Olsen’s stylized vision of the university as an instrument for shifting national political agendas is the following:

The University is a rational tool for implementing the purposes and policies of democratically elected leaders. It is an instrument for achieving national priorities, as defined by the government of the day. The University cannot base its activity on a long-term pact based on constitutive academic values and principles and a commitment to a
vision of civilized society and cultural development. Instead research and education is a factor of production and a source of wealth or welfare. The University’s purposes and direction of growth depend on shifting political priorities and funds more than on scholarly dynamics. A key issue is applicability and utility of research for practical problem-solving, such as defense, industrial-technological competition, health and education. ... Autonomy is delegated and support and funding depend on how the University is assessed on the basis of its effectiveness and efficiency in achieving political purposes, relative to other available instruments. Change in the University is closely linked to political decisions and change (Olsen 2007: 31).

Public trust in educational institutions is needed if further public subsidization of higher education is expected, especially but not exclusively in the Central European countries. As Carlo Salerno succinctly summarizes the essence of how economists view higher education, while developing Olsen’s vision of the university as a service enterprise embedded in competitive markets,

In essence the basic framework is developed around the idea that society values what the University produces relative to how those resources could be used elsewhere; it helps to explain why resources ought to be allocated to such organizations in the first place. The pursuit of free inquiry or the inculcation of democracy are noble objectives in their own rights but the nonetheless constitute activities that demand resources that can be used just as well for meeting other social objectives. The ‘marketization’ of these objectives (including education) produces a set of relative prices for each that reveals, in monetary terms, just how important these activities are when compared to issues such as healthcare, crime, social security or any other goods/service that is funded by the public purse. It does nothing to reduce universities’ roles as bastions of free inquiry or their promotion of democratic ideals; it only recasts the problem in terms of the resources available to achieve them (Salerno 2007: 121)

Economists’ view is especially strong in economies which have experienced prolonged periods of financial austerity: the countries of Central and Eastern Europe. But fully-fledged national debates on the price of social objectives met via national higher education systems in the context of other national priorities in public spending have not taken place so far. The reason of the absence of the application of strongly marketized way of thinking about higher education, vis-à-vis other social and infrastructural priorities seems strongly rooted in the social acceptance of the traditional vision of the university, still prevalent, and only slowly beginning to erode. Expenditures in higher education and research in higher education are not viewed by the society at large as directly competing with expenditures in other priority areas – which may not last long.

Polish higher education is still operating according to traditional, Humboldtian, and, to a large extent, communist, rules of the game, i.e. the rules of the university as a “rule-governed community of scholars” (Olsen 2007: 29-31), as an institution based on academic values, to an extent unparalleled in EU-15 higher education systems. While in Western European systems the co-existence of different models (the traditional model and three instrumental models in which the university is a tool) is prevalent, in Poland reform attempts are intended to replace a ruling
traditional model, transformed only marginally in the last 20 years, with Olsen’s model of the university as an “instrument for national political agendas”. A shift in policy thinking about the university (and, partly, in new legislation already in force) has a clear direction: away from the Humboldtian Ivory Tower, faculty-centered model, towards the model in which the university’s role is to consistently follow national political agendas.

Again, while Western European systems, in their move away from the Humboldtian “community of scholars” vision, seem to be increasingly combining the second (as above) and the third, market-oriented, visions (the university as a “service enterprise embedded in competitive markets”) with the traditional, first vision – in Poland the move in educational policy is strongly against the traditional vision and in favor of the second, shifting-national-agendas view of the university. The Western European coexistence of mostly three visions, and reforms leading to both the second and the third vision has a parallel transformation towards only the second vision in Poland, and possibly in the region. Surprisingly, especially in the context of changes in other public sector services, the move towards the (public) university as a “service enterprise embedded in competitive markets” is of marginal importance (the growth of the private sector did not lead to the emergence of competitive markets: it is almost fully dependent on public sector academics and infrastructure, does not compete directly or indirectly, except for a handful of institutions, with the public sector, and to a large extent caters for students from lower socioeconomic strata). This incompatibility between Western European and Polish (potentially Central European) transformations requires further analysis as potentially divergent ways of rethinking the university are accompanied by potentially divergent governance and funding regimes. Olsen’s view is that while the four visions of the university are not mutually exclusive, the “main trend during the last decades has been that the dominant legitimating idea of the University has changed towards the vision of a service enterprise embedded in competitive markets” (Olsen 2007: 35). Which makes the main trends in Western Europe and in Poland (possibly in Central Europe) divergent rather than isomorphic.

Strikingly, while all other public sector services are increasingly being reconceptualized towards market orientation and market-like models, public higher education seems to be reconceptualized as a new tool for national political agendas, with surprisingly limited encouragement to be more market-oriented. The role of market mechanisms in new legislation (as well as in the two strategies for the development of higher education until 2020) seems much more modest than could be expected. Consequently, while the welfare policies generally are increasingly under pressures to become more marketized, higher education policies generally are under pressures to be ever more closely linked to the needs of the national economy and national economic priorities. The strong market-oriented vision in Olsen’s typology seems present at the level of governmental rhetoric but not at the level of new national strategies or new national legislation. It is too early to discuss
actual reform implementation as most measures will come into force in the next two years, though. Polish reform programs and accompanying public debates, as in other European countries, are driven by an instrumental view of the university. In this view, the university is involved in a set of contracts”. The logic of Polish reforms is clearly instrumental – while, as discussed above, the logic of the Polish academic profession is traditional and institutional. The instrumental/institutional divide makes the two discourses generally incompatible. And this is where tensions related to new reform initiatives have their roots.

Conclusions

The chapter puts recent higher education reforms in Poland in a wider context provided by transformations of postcommunist universities, processes of massification of higher education systems combined with financial austerity of educational institutions, changing codes of academic behavior in the 1990s related to the emergent private higher education sector, and the strength of the two complementary, self-protective narratives of (national) “tradition” and “institutional exceptionalism” of universities in Central Europe produced by the academic community. Until recently, universities were relatively immune against both market forces and competition pressures. In Poland, universities are increasingly viewed from an instrumental, rather than institutional, higher education policy perspective. As elsewhere in Europe, reforms rationalize universities as organizations and are leading to their gradual construction as ever more formal organizations (rather than socially-rooted, traditional, and distinct institutions). The pact between universities and the society is weak and narratives produced by academics about the future of universities are no longer socially appealing. New ideas are promoted, produced by national governments and rooted in supranational ideas produced by the OECD and the European Commission. Consequently, in view of large-scale reform attempts throughout the public sector, universities are vulnerable to changes with possibly undefined long-term effects. And, as elsewhere in Europe, there is strong need for Polish universities to reexamine their social and economic roles, their contributions to societal and economic needs alike, their fundamental allegiances and loyalties, their norms and behaviors, ethos and foundations, in the face of changing legal and financial environments that can determine their developments for the next decade. While universities in Poland are increasingly being constructed as organizations functioning according to the instrumental model of serving national policy agendas, the academic community needs to scrutinize national variations of this model, and be able to assess its long-term consequences.

The role of path dependence in institutional transformations is vital, in relation to both socio-economic and higher education policies. Differences between Central and Western Europe in higher education governance and funding trends, as well as
in university knowledge production, may be larger than expected, and that the role of historical legacies (five decades of communism and two decades of postcommunist transformations) may be more long-term than has been generally assumed in social science research about Central Europe. The aimed at transformations of Polish universities may take much longer than assumed at the beginning of the transition period 20 years ago and the gradual convergence of Polish higher education and research systems in the emergent European Higher Education Area and European Research Area cannot be taken for granted.*

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