Chapter 9

Higher Education in Turbulent Times. Concluding Reflections

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This chapter addresses three issues derived from the discussions presented in the various chapters included in this volume: the context of the European integration and the European challenge for Poland as a new EU member state; the changing structure of higher education, with special reference to autonomy and funding; and the changing dynamics of public/private higher education, politics and demographics. Processes of European integration are viewed here as an environment in which national changes in higher education and research systems have been occurring. In particular, two challenges come to the fore: the recognition of the Qualifications Frameworks as a mechanism of further integration of national systems into a wider European higher education area, and a trend to concentrate European-level frontier research funding in a limited number of research-intensive European universities, as recently suggested by the European Research Council.[1]

The European integration as a background to national reforms

The role of the European Commission in shaping higher education policies in Poland was relatively unimportant throughout the 1990s when Poland was only vaguely considered as a future member state and when the "modernization agenda for universities" was still to emerge in Europe. The Commission's role became very important in all social areas, including higher education, at least at a declarative level, in the 2000s, especially prior to the EU Enlargement in 2004 (from a European perspective, see: Gornitzka 2005, Gornitzka 2007, Maassen and Olsen 2007, Olsen 2007b, Maassen 2008, and Maassen and Musselin 2009). Poland in the 2000s was joining the emerging European research and higher education areas and was among the signatory countries of the Bologna Declaration in 1999. The role of the EU accession conditionalities for changes in all public services became of critical importance in the early 2000s: they were used, in general, as supporting a neo-liberal social model rather

1 Until 2012, 50% of all research funding from the ERC has been allocated to 50 best research performing institutions. While University of Oslo is among the fifty universities, no university from Poland or from any new EU member state is on the list which opens with University of Cambridge (76 grants), University of Oxford (68), Swiss Federal Institute of Technology Lausanne (53), Swiss Federal Institute of Technology Zurich (ETH Zurich, 46), and the Hebrew University of Jerusalem (45), in the first five ranks (see also Chapter 2 in this Volume). Among research organizations, the CNRS has received more than 125 grants and the Max Planck Society 64 grants.

than the so-called "European Social Model", in its different variants (including what Gornitzka and Maassen termed "The Nordic Model" in Chapter 4 in this Volume). As the Hungarian sociologist and economist Zsuzsa Ferge stressed repeatedly in the last decade, the welfare state in Central Europe was powerfully pushed in the 1990s in the direction of Americanization rather than Europeanization:

> Supranational monetary agencies (e.g. the IMF, World Bank, WTO) have had a major role in shaping post-socialist societies, particularly where the countries have been indebted. The main elements on their social-policy agenda were the strengthening of individual responsibility and the weakening of public responsibility in social matters; the promotion of privatization and marketization in all spheres; ... In short, a leaner state in general, and a diminished welfare state in particular. (Ferge 2008: 150; see also Ferge and Juhasz 2004, Berend 2007, Bohle and Greskovits 2007, Cain *et al.* 2005, Kovacs 2002, Kwiek 2007)

In the early 2000s, the EU accession countries, Poland included, were much more praised by the European Commission for their social reforms leading to neoliberal solutions than for reforms potentially leading to any traditional Western European social arrangements (see Kovacs 2002, Ferge 1997, 2004; see also Polish annual reports to the EC prior to 2004). While most public sector services were becoming more marketized, including pensions and healthcare, public higher education was using market forces in one dimension only: more fee-paying part-time students bringing more non-core non-state income. This was one side of the privatization process, the other being the growth of fee-based private higher education. Market-like solutions in university governance or public research funding, university links with the economy or the commercialization of research were not introduced until the reforms of 2008-2011.

International and supranational agendas in higher education reforms mattered in Poland, in different periods to different degrees. Apart from the OECD, important international influence on national policies in higher education was exerted by the European agenda, especially in teaching-related areas linked first and foremost to the Bologna Process and its expectations throughout the 2000s. The initial enthusiasm for and high ranks in the scores of the implementation of the Bologna Process gradually gave way to implementation problems. There were, for example, several self-declared Polish red lights in the 2009 *Bologna Stocktaking Report* (see also in general the *Trends 2010 report* on Central Europe). In research funded by the European Commission, Poland is markedly lagging behind major EU-15 systems. For example, of the first 2500 ERC grants (May 2012) researchers working in Poland received only 11 grants, compared with the "leading countries": the UK 540 grants; Germany 336 grants; France 321 grants, the Netherlands 199 grants and Switzerland 186[2]. In the 7th Framework Programme for Research

2 These data were derived from Cordis: http://cordis.europa.eu/projects/index.cfm?fuseaction=app.search&TXT=&FRM=1&STP=10&SIC=&PGA=FP7-IDEAS-ERC&CCY=&PCY=&SRC=&LNG=en&REF=.

("Cooperation programme"), in the 2007-2011 period, Poland was coordinating 144 (out of 11,411, or 1.26%) research projects and was participating in 1,267 (out of 60,149, or 2,10%) research projects, compared with the leaders: the United Kingdom 2,374 and 8,700, respectively, Germany 1,616 and 9,398, respectively, and France 1,433 and 6,784, respectively (KPK 2012).[3] And in the case of the European Qualifications Frameworks, Poland is a "slow adopter", still without the National Qualifications Framework in place, as Mari Elken shows elsewhere in this Volume. In a strongly academically-driven and faculty-centered system, the idea of the EQF sounds currently difficult to accept.

Historically, when it comes to the preparations for the EU accession, it was the World Bank that was setting the agenda for Central European countries, Poland included, and this was done first and foremost in economic policies rather than in higher education policies. As stressed by Orenstein and Haas (2005: 146) "the World Bank tended to dominate the agenda, coordinating with the EU on issues of preparation for accession. Indeed, the World Bank conducted major reviews of east-central European countries' economic policies in preparation for accession that included extensive analysis of social welfare systems and state administration in addition to macroeconomic policy, financial sector regulation, and other economic policy areas that were central to the early transition agenda. As a result, east-central European countries found themselves part of a social policy discourse that primarily included their governments, the EU, and the World Bank, with the latter doing much to set the agenda for these discussions". Between 1994 and 2004, as Orenstein (2008: 86-87) reminds us elsewhere, eleven postcommunist countries partially privatized their pension systems – and the case of pension reforms shows that "transnational actors had a fundamental influence on the social-policy agenda in postcommunist countries after the mid-1990s. They exercised this influence in many other areas as well, setting standards for health reform and reshaping unemployment-benefit systems and many other programs" (see also: Esping-Andersen 1990, 1996; Fenger 2007). The World Bank was heavily involved in the

3 From a CEE comparative perspective, Poland is lagging behind some of its regional competitor countries, as the data need to be controlled for the size of national higher education and research systems. With respect to the ERC, from the first 2,500 grants, Hungary received 2.5 times more grants (27), the Czech Republic slightly less (7), and Bulgaria (3), Estonia (2), and Slovenia (1) considerably less. No researchers in other CEE countries than the ones mentioned have received an ERC grant up till now. In the EU 7th Framework Programme, Hungary was coordinating only slightly less research projects than Poland (119) and was participating in 915 research projects. For the Czech Republic the numbers were 66 and 798, respectively, and for Bulgaria 34 and 444, respectively. In terms of the total number of researchers, in all sectors of performance, full time equivalent, in Poland in 2009 there were about 98.200 researchers. Compared to Poland, there were about three times less researchers in Hungary (35.300), five times less in Slovakia (21.800) and almost two and a half times less in the Czech Republic (43.100) (Eurostat 2012).

introduction of a multi-pillar pension system in 1999, and it was involved in the assessment of Polish higher education and research in 2004 and, recently, in 2011[4].

Nonetheless, throughout the 1990s and the early 2000s, higher education was one of those public sector areas where the World Bank's influence in Central Europe was marginal (except for Hungary, see Barr 1994, 2005). The OECD 2007 report on Poland 2007, very critical to both governance and funding of higher education and research, and to both public and private sectors, was translated into Polish and was highly instrumental in lending support to the governmental reform package of 2009-2011. In particular, the report criticized Polish higher education as inward-looking and academically-driven and stressed weak links between the educational offer and labor market needs: "it is not clear how far the current offerings do in fact respond to actual labor market needs. ... the whole tertiary education system, and not only the academic sector, is academically driven. The effect is a set of institutions that are typically – though not always – strongly inward-looking in focus, rather than facing outward toward the wider society, including working life" (Fulton et al. 2007: 77). A World Bank report published three years earlier did not differ much in its critical conclusions about Polish universities' links to the economy: "The combination of academic traditions with an autonomous legal and financial framework has encouraged a relatively inward looking and independent academic culture, which tends to show little interest in either the labor market or the business and innovation environment. Most higher education institutions lack a clear focus on the needs of high technology companies or societal needs in general" (World Bank/EIB 2004: ix). Recently, the notions of the knowledge economy, the university-enterprises cooperation and the economic competitiveness were often invoked in arguments supporting Polish reforms (from a wider perspective, see Maassen and Stensaker, 2010; OECD 2008). As the Ministry explained:

> It is very important that individual institutes should answer to local economic needs and adjust their research to the expectations of the communities in which they function. This is why the reform creates regulations and solutions facilitating such forms of contact, thus making it possible to quickly translate theoretical research results into practical applications. Particularly important are projects whose results will be applied in the short term and which will influence directly the development and competitiveness of the economy (MNISW 2011: 10).

Recent reforms introduced three levels of the organization of higher education and research: the strategic level (the Ministry), the expert level (four bodies: KEJN, or the Scientific Entities Evaluation Committee, Science Policy Committee, Young Scientists Council, and the General Council for Science and Higher Education), and the level of executive agencies (two research councils: the NCN, or the National

4 See the "Europe 2020 Poland" project, and its two volumes on *Fuelling Growth and Competitiveness in Poland through Employment, Skills and Innovation* published in 2011. See also Kwiek and Arnhold 2011.

Science Centre, and the NCBiR, or the National Centre for Research and Development). Reforms significantly changed the role of the Ministry: it is no longer responsible for the allocation of research funding and it focuses on higher education and research policies. At the expert level, the most important role in the new architecture of institutions is played by the KEJN which advises the Ministry on issues related to the funding of the statutory activities, or on ministerial subsidies to academic units, through the quality evaluation and their categorization from the A+ (highest) to the C (lowest) level. The categorization of academic units is closely related to public subsidy levels.

The law on higher education of March 2011 also introduces KNOWS (Leading National Research Centers) for which there will be (from 2012) additional five-year subsidies (the first competition in 2012 was already announced). The law also provides the option of curricula being developed in cooperation with employers and an important change in university governance: rectors can be either elected internally via traditional collegial mechanisms or chosen externally via a competition. In 2012 though, no major public university used the latter option. The law increases the role of rectors and encourages both the creation of spin-offs and the commercialization of research results through new incentives. The reform did not introduce the universal tuition fees in the public sector which was one of the most hotly debated issues in the 2008-2011 period – which we discuss separately below.

The influence of the European agenda was important throughout the 2000s. However, in the period of intense reforms, the impact of the OECD on the form of subsequent law proposals, publicly debated premises of reforms and the overall reform vocabulary, was much higher. Different stakeholders used different arguments and different vocabularies in debates on reforms. Of the two competing strategies for higher education in Poland, one (prepared by the Ernst and Young and the IBNGR, EY/IBNGR 2010) was using arguments taken directly from standard OECD-derived international policy reform literature, especially but not only in higher education, with other public sector services in view, and with strong economic background in terms of empirical research and with a strong component of international comparative statistics. The other strategy, prepared by the rectors' conference, was using the traditional Humboldtian vocabulary and arguments used in Western higher education systems before large-scale public sector reforms were introduced in the 1980s and 1990s.

Changing structure of higher education in terms of autonomy and funding

In the 1990s, a relatively stable social and economic environment in which knowledge was produced in Polish communist-period universities was disintegrating, leading to new institutional and individual "survival strategies" in

the higher education sector. New institutional norms and behaviors emerged together with institutional autonomy and academic freedom, regained immediately following the collapse of communism. But autonomy was accompanied by severe financial constraints: long-term, systemic financial austerity was the trademark of university knowledge production in the region throughout the 1990s, and its impact on higher education systems, institutions and individual academics has been substantial (Kwiek 2011). Between 1990 and 2005 there were around a dozen draft laws but only two were passed: the 1990 law introducing new operational parameters of Polish universities, such as institutional autonomy, academic freedom, academic collegiality, and the 2005 law adapting Polish universities to the Bologna Process requirements. In the meantime, there were only small-scale changes introduced as ad-hoc measures.

Recent reform attempts 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 clearly distinct, powerful stakeholder with its distinct say in higher education policy. In addition, also 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. Polish higher education is still operating according to traditional, Humboldtian, and, to a large extent, communist, rules of the game: the rules of Olsen's stylized vision of the university as a "rule-governed community of scholars" (Olsen 2007a: 29-31) and an institution based on traditional academic values, to an extent unparalleled in most Western European higher education systems. While in the latter systems the co-existence of different stylized visions (Olsen 2007a: 30) is prevalent, in Poland the recent reform package is intended to replace a ruling traditional perspective, transformed only marginally in the last 20 years, in the direction of Olsen's second stylized vision, the university as an "instrument for national political agendas" (Olsen 2007a: 31). A shift in policy thinking about the university has a clear direction: away from the Humboldtian model, towards the instrumental model in which the university's role is to follow national political agendas (see Gornitzka and Maassen 2007).

In most general terms, policy thinking at the ministerial level throughout the last two decades, or at least until the recent reforms, was equivalent to academic community thinking as represented by the rectors of the public universities. Whatever policy solution was good to the academic community, was regarded as good in general. The single exception to this was severe, long-term underfunding of the whole system which was not tackled with as a policy issue at least in the first decade and a half. The idea of powerful clashes between various stakeholders, solved through intensive dialogues held between them, was alien to the Polish policymaking arena in 1990-2005. In general, subsequent governments did not manage, or did not want to become fully-fledged stakeholders in higher education policy, and students with their parents and the business community/labor market

were not regarded as stakeholders equal in significance to the academic community neither in policy debates nor in public debates until the second half of the 2000s. Ministers of Education (or deputy-ministers for higher education and/or research, depending on the period) were generally renowned academics from the public sector, strongly rooted in the oldest generation of the academic community, belonging to what could be termed the "academic oligarchy" (Clark 1983). Most changes to the law on higher education and new higher education strategies in 1990-2005 were generally originating from the Polish rectors' conferences, in various forms over the years. There was in essence a full institutional symbiosis about the directions of higher education policy and about the shape of the new law of 2005 as well as ministerial regulations, between top level decision makers in higher education policy and the most powerful rectors of the most prestigious public universities.

The fundamental difference when a new government was installed in 2008, and the following years until 2011 when substantial revisions of the 2005 law were passed in the Parliament, together with other six laws related to research, being passed in 2009-2010, was, first of all, that top ministerial officials, including the minister herself, did not come from the same prestigious, rectors' conference environment. The difference also was that the new ministerial team was coming from both public and private sectors, it had powerful political support for reforms as well as strong ideas about what was malfunctioning in the areas of governance and funding of higher education and how to change the status quo. The government prepared a full package of far-going changes and submitted them for a prolonged public discussion. Perhaps for the first time since 1989, new stakeholders in higher education, rather than merely academics and their representatives, were clearly defined and asked for their official views on the reform package, views definitely distinct, as it would turn out, from views of the academic community. The new stakeholders involved in the long process of social consultations included especially students – and, indirectly, their parents – and their organizations, doctoral students and their organizations, young academics through a new consultative body called the Council of Young Academics constituted in the Ministry in February 2010 as well as employers via their different organizations and confederations of organizations. Seeking support for reforms, reformers turned directly to new clienteles, in accordance with best practices known from the political economy of reforms (Høj *et al.* 2006, OECD 2009b). The overall opposition of the academic community to major parts of the reform package was accompanied by varying levels of support of the new stakeholders. The publicly debated official "assumptions" to the reform package presented in various forms in the 2009-2010 period emphasized the instrumental character of expected changes and meant the end of the dominance of the traditional view of the university as a community of scholars and of the traditional symbiosis between top policy decision makers and top leaders of the best public universities.

Transformations of Polish universities as institutions in the 1990s followed in general Robert Goodin's models of social change. Goodin sees three basic ways in which social institutions might arise and change over time: by accident: "what happens just happens", by evolution: the survival of the "better fitted" to their environments, and by intentional intervention: "the change might be the product of the deliberate interventions of purposive, goal-seeking agents". His conclusions fit perfectly with the Polish case: "any actual instance of social or institutional change is almost certain to involve a combination of all three of these elements" (Goodin 1996: 24-25). Indeed, in the face of massive social, political and economic transformations of an unprecedented scale in the postwar history of Europe, universities were changing by accident, evolution, and intention, with the emphasis on the first two models: accident and evolution. Intentional interventions in higher education policy, on the part of national governments, were rare, and there was a set of overarching principles guiding transformations in the university sector: institutional democracy, institutional autonomy, and academic freedom, all regained after the period of communism. These can be regarded as "desirable principles of institutional design" and "principles with deeper moral resonance" (Goodin 1996: 39). But behind general guiding principles no further elaborate institutional design followed. The state seemed to have no clear ideas about how to deal with disintegrating higher education institutions, characterized by radically decreasing academic salaries, brain drain of both academics and top graduates, collapsing system of research funding, etc. There were other social and economic concerns, of critical importance. Suffice to say here that the inflation rate in the early 1990s in Poland was in the range of a few hundred percent per year.

Newly regained institutional autonomy and institutional democracy meant in practice that it was impossible to restructure any university, to coordinate areas of part-time studies offered or to rationalize university spending. Democratic governance also made any periodic research assessment exercises impossible, as well as getting rid of weak academic staff unable to fulfill even basic research requirements: the number of Habilitation degrees and professorship titles was falling throughout 1990s and the 2000s, and the average age for both was rising as the staff not meeting academic standards was staying on in universities for years. The impact of accidental, evolutionary and intentional changes of the 1990s is still strongly felt in 2010: institutional culture, and the academic rules and norms of the communist period did not protect universities from the decline in their research production in the 1990s. The new law may bring about a renewed academic culture, and revised academic rules and norms, even though the reinstitutionalization of the research mission in the best public universities, especially in the social sciences, is a long process (see Kwiek 2012b).

The question is how ongoing transformations in Poland relate to wider European and global agendas, such as the "modernization agendas for European higher education" of the European Commission (2006, 2011), the

intergovernmental agenda of the Bologna Process, or "global scripts" as produced in social policy and higher education policy in the last two decades by international organizations, especially the World Bank and the OECD (see Gornitzka 2007; and Gornitzka and Maassen in this Volume)? The reform agenda vocabulary and accompanying arguments are widely used, concepts applied in reform documents are both OECD- and EU-derived, with the repeatedly used "knowledge economy" in the forefront, but the actual instrumentation suggested for realizing the reform aims do not indicate an easy convergence between changes in Western European universities in general and in Poland (Kwiek 2011). What is perhaps more probable is the emergence of a specific Central European knowledge production model, parallel to the emergent Central European welfare state model (see Aidukaite 2009, Fenger 2007, Ferge 2008, Golinowska and Zukowski 2009, Inglot 2008).

Polish universities (following institutional autonomy and academic freedom granted in the 1990 law) were able to use all benefits covered by the traditional Humboldtian model of the university – without its limitations, though. Thus social and economic protection given to public institutions and their employees and public funding were welcome, institutional autonomy became the cornerstone of their activities. But the traditional commitment to scholarship and learning followed with quite non-traditional commitment to (paid) teaching, either within traditional university walls or in new private higher education institutions. Surprisingly, institutional autonomy granted to universities led to a "pick and choose" option selected by them: from the traditional repertoire of norms and values, legitimate modes of conduct and behavior, appropriate actions, etc., which constitute the university as an organization, Polish universities used only those which suited their particular interests. Certainly, in all programmatic statements, as well as in official documents produced by universities and rectors' conferences of the time, the point of reference was exactly what Olsen (2007a) stressed for the vision of the university as a "rule-governed community of scholars".

In terms of funding, recent reforms substantially increase the share of competitive, grants-based funding for individual academics and their teams; the role of block funding, based on past performance and past historical appropriations, has been severely reduced for the first time in the academic year 2011-2012. At the same time, the amount of grants from the two new research councils has exceeded levels known from previous public grant-making institutions. On October 1, 2010, a major package of six acts under the general title of "Building on Knowledge – a Reform of Science for the Development of Poland" became law. From a regional comparative perspective, expenditures on research and development as a share of GDP in 2000-2010 increased in Poland only marginally (from 0.64% to 0.74%); at the same time, the increase in the Czech Republic was from 1.17% to 1.56%, in Hungary from 0.81% to 1.16% (Eurostat 2012). One of the explanations for the underfunding of research is a large-scale teaching focus of the university sector, and (too) mild academic pressures, especially organized, on increasing research

expenditures. This is a consequence of the academic community being one of the most powerful interest groups involved in the competition for public resources through lobbying efforts (Tandberg 2010).

Politics, demographics and fees – forward-looking

Polish higher education is one of the most heavily marketized systems in Europe, due to its extraordinarily high share of fee-paying students and the highest share of enrollments in private higher education in Europe (0.58m students out of 1.82m in 2010). Expected demographics, though, may fundamentally change the educational setting in the country: it may lead to the re-monopolization of the system by the public sector which was unthinkable a decade ago.

The expansion of the private sector after almost two decades of its existence seems to be over, after two successive years of decline (by 10% each year) with a further declaine expected in the near future. Consequently, it is desperately looking for survival strategies in the face of declining student numbers in the next ten years. Current OECD demographic projections for Poland show that the number of students will go down from 1.82 million in 2010, to 1.52 million in 2015 and 1.25 million in 2020. So far, tax-based student places are only for full-time students in the public sector; part-timers pay fees. What is going to happen to the fee-based private sector if all candidates could potentially be accommodated by the tax-funded public sector? Fees can be expected to be in the center of the public debate, even though, as stressed above, they were not introduced by the new law of 2011. If they are introduced in the future, their impact on participation rates is unclear. Today, already the majority of students are paying fees (54% in 2010) and because there is a huge number of public and private institutions (461 in 2010), the price competition between them is substantial.

The largest growth in Polish private higher education occurred through the non-elite, mostly demand-absorbing, type of institutions. As elsewhere, most students were "not choosing their institutions over other institutions as much as choosing them over nothing" (Levy 2009, pp. 18; Levy 2002, 2007; Slantcheva and Levy 2007). As in other countries, from a global perspective, the demand-absorbing subsector tended to be both the largest private subsector and the fastest growing one. This is also the most vulnerable one in the setting of declining demographics. The growth of private higher education meant most of all "more" higher education to meet the excess general demand (Geiger 1986: 10).

Three different scenarios are possible: (1) enrollments in full-time programs in the public sector in 2020 will remain at current levels: 850.000 students, as in 2010; (2) student numbers in 2020 will decrease proportionately in both sectors and both modes of studies (full-time, part-time) due to declining demographics: 550.000 students in full-time programs in the public sector; and (3) enrollments in full-time programs in the public sector will increase; if the number of student places

increases merely by 2% every year between 2011 and 2020, it will be offering more than one million student places by the end of the decade; these are "first-choice student places" in a possibly expanding public sector. Consequently, in the first scenario, the private sector can expect about 250.000 students, in the second about 450.000 students, and in the third only 100.000 or less.

Thus, in fact, the biggest private higher education system in Europe is heavily dependent for its survival on the introduction of universal fees in its competing public sector. If universal fees are not introduced, which seems to be the case in 2012, the private sector will be heavily reduced in size, to about 40% (or even 20%) of its 2010 level; if fees are introduced, enrollments will drop to about 75%. The introduction of universal fees in the public sector is the most effective survival strategy for the private sector in the years to come. Individual private institutions' strategies count much less than macro-level changes in funding mechanisms for public institutions. Consequently, cost-sharing may become a major policy theme in the coming years – both in the (traditional) context of public sector underfunding and, surprisingly, in the new context of the private sector survival (Kwiek 2010).

Standard supply-side solutions for private providers could potentially be the provision of high-quality, socially-recognized and labor-market rewarded educational programmes. But the policy of non-interference and loose governmental control of the 1990s (Kwiek 2008) contributed to low competitiveness and low social recognition of the private sector vis-à-vis the public sector. A handful of exceptions, i.e. 5-10% of the private institutions which could be called (Levy 2009) "semi-elite", does not make a dramatic difference. Exceptions need to be noted, though.

Since demographic trends cannot be altered within a decade, the private sector is seeking to redefine the national higher education funding architecture. In good times of ever-increasing student numbers, the independence of the private sector from the state was key. Today state interference, in the form of fees in the public sector or subsidies for the private sector, seems to be the only long-term policy solution for the private sector. Still the question is whether the subsidization of full-time students in the private sector as a policy option would change the future of private providers dramatically. The higher education market is increasingly a "prestige market" or a "positional market", as discussed briefly above, and credentials, as well as jobs and incomes, are "positional goods" (Hirsch 1976). As elsewhere in postcommunist Europe, prestige is in the traditional elite public universities.

Following Levy's typology of public/private mixes in higher education systems (Levy 1986a), recent changes might indicate a policy move towards the convergence of the two sectors. The move in this typology would be from the fourth pattern (dual, distinctive higher education sectors: smaller private sector funded privately, larger public sector funded publicly) to the third pattern (dual, homogenized higher education sectors: minority private sector, similar funding for

each sectors; Levy's first and second patterns refer to single systems, with no private sectors). The policy debates about private-public funding in Poland today are not historically or geographically unique. Levy identified three major policy debates in his fourth pattern of financing: on the very growth of private institutions; on public funds for new private sectors; and on tuition in the public sector. While in the 1990s, the debate about growth dominated in Poland, the 2010s can be expected to be dominated by fees and public subsidy debates.

The question of the future of private higher education in Central Europe is much larger, as Peter Scott notes: are higher education systems in the region "trendsetters" for Europe or is the significance of private institutions in this part of Europe "a passing phase attributable to the special circumstances surrounding the transition from communist to postcommunist regimes" (Scott 2007: 309)? No final answers are possible today. The role of demographics is predictable – but the role of politics is not.

Poland, about to be hit by severe demographic shifts, which in the European Union are similar only to the trends in the postcommunist countries: Bulgaria, Romania, Hungary, Slovakia, as well as Estonia, Lithuania and Latvia, and the fastest-aging society in the OECD area by 2025, needs thoughtful policy responses which may use more market mechanisms, more competition and more private funding in both public and private sectors. Depending on policy choices, different scenarios are possible. A healthy system which may emerge within a decade may be dominated by the public sector, with the private sector in gradual decay; perhaps the balance between the two should be maintained to avoid the re-monopolization of the system by public institutions in the next decade. Perhaps the dramatically shrinking demand should be accompanied by shrinking supply of student places in both sectors rather than an ever increasing supply in the public sector. A continuous increase of student places in the public sector, combined with the lack of fees charged to full-time public higher education students, may lead to the ultimate destruction of the private sector, after a quarter of a century of its existence in Poland. Institutional "strategies for survival" no longer suffice and policy responses at the macro-level might be necessary. In this the only Western European country that has gone through a comparable development is Portugal (Teixeira and Amaral 2007, Correia *et al.* 2002, Teixeira and Amaral 2001). Unexpectedly, a combination of demographics and politics puts fees in the spotlight in the next few years.

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