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The Harmonization of European Educational Policies *Versus* Private Institutions in the Transition Countries

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1.

The Bologna process seems to disregard one of the most significant recent developments in several major post-communist transition countries: the rise and rapid growth of the private sector in higher education and, more generally, the emergence of powerful market forces in higher education.* Consequently, the ideas behind the Bologna process – a major European integrating initiative in higher education started by the Bologna Declaration in 1999 – and analytical tools it provides to rethink the role of the university in increasingly knowledge-based societies and economies, the wider picture of the social role of higher education, and policy recommendations it develops may have unanticipated and unconsidered and perhaps mixed effects on higher education systems in certain transition countries. Both globally and in the countries of Central and Eastern Europe, private higher education is part of the problem and part of the solution. Consequently, both the private sector in European (and especially Central and East European) higher education systems and the emergence of powerful market forces in the educational and research landscape in Europe have to be further analyzed if the Bologna process is not to turn into a merely "theoretical", myopic exercise. The downplaying of the role of market forces in higher education and research and development as presented by Bologna documents and the omission of the private sector which is booming in the transition countries from the scope of Bologna interests – and from its overall conceptual scheme – give potentially misguided signals to educational authorities in transition economies. Consequently, Bologna process might distort the development of the private sector in countries where chances for the expansion of the educational system otherwise than through privatization were or are limited. Also, while the implicit disrespect for market mechanisms in higher education may have limited impact in Western European systems which take many

market-related parameters of their operation for granted, it may have long-lasting negative impact on legislation and general attitude toward the private sector in some transition economies.

2.

Recent attempts at the revitalization of the so-called Lisbon strategy of the European Union (through such widely debated documents as e.g. the Wim Kok Report on the future of the Lisbon strategy, EU 2004) seem to be going hand in hand with recent reformulations of the Bologna process (see Reichert and Tauch 2005). The future of Europe seems to be located in the "Europe of Knowledge", to be achieved through redefined higher education gained from reformed educational institutions and through boosted research and development in both public and private sectors. New modes of viewing educational institutions are probed (universities as entrepreneurial providers of skilled workforce for the globalizing economy and students as individual clients/buyers of conveniently rendered educational services) and new ideas about citizens gaining enhanced European identity through education useful for knowledge-based Europe are presented. Consequently, in recent years the project of the European integration seems to have found a new motif: education and research for the "Europe of Knowledge". A crucial component of the Europeanization process today is its attempt to make Europe a "knowledge society" (and a "knowledge economy") in a globalizing world. "Education and training" (to use a more general EU category) becomes a core group of technologies to be used for the creation of a better integrated Europe; the creation of a distinctive and separate "European Higher Education Area" as well as a "European Research (and Innovation) Area" is the goal the EU has set itself by a deadline of 2010. The construction of a distinctive European educational policy space – and the introduction of the requisite European educational and research polices – has become part and parcel of EU "revitalization" within the wide cultural, political and economic Europeanization project. Following recent vetoes to the European constitution, it is hard to judge the impact of these possibly large-scale political changes on European educational and research policies analyzed in the present paper, though.

The success of the Bologna process in most general terms depends on the question to what extent it is going to function towards the goals of the Lisbon strategy. The goals of the Lisbon strategy, as initially formulated in 2000, were too multiple and they were going in too many

directions; consequently, most of them are not achievable. The Bologna process, again in general terms, is going to be successful if it is contributing to the reformulated Lisbon strategy goals, mostly directed towards closer links between education and employability (and no longer employment – see Neave 2001) of its graduates, lower unemployment rates and higher individual entrepreneurship of graduates. Higher education becoming more practical, shorter periods of study for the majority of students by clearly dividing studies into undergraduate and graduate ones and lowering the number of students at the MA level, greater intra-European mobility of students through various EU-funded mobility schemes, a wider use of credit transfer systems, including their use on a national basis etc. – these are among major Bologna goals today coinciding clearly with the goals of the Lisbon strategy.

We need to locate the private sector in higher education in this wider picture. As far as the countries of Western Europe where Bologna process was born are concerned, the role of the private sector is marginal. Major EU economies, including Germany, France, Italy and the United Kingdom, do not have significant private sector in higher education. But the Bologna process runs far beyond Western Europe and involves the countries in which private higher education figures prominently, exceeding 10% of total enrollments in Hungary and Bulgaria, 20% of enrollments in Romania and Estonia and 30% of enrollments in Poland. In Central and Eastern Europe, where all countries are Bologna signatory countries, there is over a thousand private institutions. So we are talking about a significant and rapidly developing segment of education – and economy – in transition countries.

If we take a closer look at private institutions in transition countries, they serve a number of functions but are often still grappling for legitimacy. They appeared in most transition countries in a sort of legal vacuum, using both the enthusiasm for institutional autonomy and the appeal of hitherto nonexistent non-state educational institutions in new democracies. But after well over a decade, in most of these countries, they are legally well-positioned, no longer have to operate on the fringes of the system, are recognized by local national accreditation boards and seek higher social recognition. Their legitimacy has to be won over and over again, until they are fully accepted by the society, labor market and educational authorities, though. Private institutions were the simplest answer to the question of expansion of educational systems which under communist rule were elite, with enrollments in some cases (like Poland) five times smaller than today. The issue of legitimacy of the private sector, in many cases, boils down to the social recognition of the fact that it is providing affordable

higher education to young people who would have never had a chance to get it in closed elite and fully public systems of former communist countries. The sector found social recognition by opening the door of education to those who under previous conditions were cut off from it. In knowledge-based societies, being cut off from affordable education may easily lead to social exclusion and marginalization. It is not so important who provides the new "knowledge portfolio", state-subsidized universities or financially independent, market-oriented private institutions, as long as the knowledge portfolio received via education corresponds to current and future labor market needs. The development of the private sector in many instances confirms the thesis that what matters is whether the services delivered correspond to social needs of graduates and satisfies their desire to be graduates from legitimate, respectable educational institutions. Apparently, these services are most often provided and these needs are most often satisfied by the emergent private higher education – which is testified by the existence of the sector with, in most cases, no public support.

Thus, owing to the rapid development of the sector (and corresponding parallel expansion of the public sector, following the suit), in some CEE countries higher education became an *affordable product* and private institutions needed more permanent legitimacy to be able to sell the product for subsequent incoming cohorts of students. The point in relation to the Bologna process and the revitalization of Europe through education is that most ideas developed in theory in Western Europe and referred to as the "Bologna process" were actually applied in practice in the private sector in CEE countries already in the 1990s, before the ideas of the Bologna process were formulated. The Lisbon strategy in general, and the EU publications about the "European Research Area" in particular, stress the importance of market forces, individual entrepreneurialism of graduates and new modes of governance in academic institutions; both underlie the perspective of the end-user of knowledge, the student – rather than its provider, the academic institution. The overall emphasis goes away from the respectable and trustful institution and towards the consumer of educational services. Private institutions are not subsidized by the state (except for some cases, such as e.g. student loans or student stipends, and – to a very limited extent – research); they are almost fully subsidized by students who actually buy off their teaching services. Its legitimacy is provided by students and their families who recognize them as respected institutions which provide services worth being paid for. In most cases, they are undergraduate institutions providing practical knowledge, skills and expertise relevant to the national (and sometimes international) labor market. They adapt their curricula as the needs arise, open short-term courses, offer MBA

programs, liaise with foreign institutions and offer double degrees, provide distance education, weekend education and other modes of learning convenient to the student. They monitor the labor market, open career centers seeking good jobs for their graduates and introduce strict internal quality assurance mechanisms. They follow market mechanisms in their functioning as business units, use public relations and marketing tools to have significant portions of local, regional or national educational "markets", and finally prepare their graduates to living and working in market realities. All the above aspects represented by the private sector in transition countries – and, to a large extent, juxtaposed to most lower-level public institutions in these countries – correspond closely to what Lisbon strategy in general suggests for the education sector in the future.

But the direction of the Bologna process with respect to the Lisbon strategy is unclear: consequently, the present paper argues that the downplaying of the role of market forces in higher education and research and development and the omission of the private sector which is booming in the transition countries from the overall conceptual scheme of the Bologna process give potentially misguided signals to educational authorities, students and faculty in some transition countries, especially those where the private sector has not been strong. Consequently, Bologna process might even distort the smooth development of the private sector in those countries where chances for the expansion of the educational system otherwise than through (various forms of) privatization are limited. The implicit disrespect for market mechanisms in higher education may have limited impact in Western European systems but may have long-lasting negative impact on legislation and general attitude toward the market forces the private sector in higher education in transition economies.

3.

The Bologna process has come to be viewed as part and parcel of wider processes of European integration intended to lead to the emergence of the "Europe of Knowledge" and to the preservation of a distinctive European social model. The Bologna process is based on the underlying assumptions that both Europe and the world are entering a new era of knowledge-based and market-driven economies which are competing against each other; Europe as a region has to struggle with its two main competitors in higher education and research and development: the USA and Japan (or wider, Australasia); the knowledge society depends for its growth on the production, transmission, dissemination, and use of new knowledge; Europe

is trying to combine higher competitiveness and social cohesion in an increasingly globalized world and it is in the process of transition towards a "knowledge society".

But the differences between higher education and research in the old EU Member States (EU-15) and the new EU entrants, not to mention other East European Bologna signatory countries, in general, are critical. Higher education in the majority of Bologna-signatory transition countries has been in a state of permanent crisis for over a decade now. While higher education systems in Western European countries seem to face largely *new challenges* brought about by the emergence of the knowledge-based economy, globalization and market-related pressures, most of the Bologna signatory transition countries, to varying degrees, face *old challenges* as well, with the need of the *expansion* of their systems at the forefront. The Bologna process in general seems to focus mostly on new challenges and new problems; most transition countries, by contrast, are still embedded in old-type problems generated mostly in a recent decade by the massification of higher education under severe resource constraints.

While, apparently, the rapidly developing private sector is not problematic for the Bologna process in Western Europe (and perhaps therefore it has not been dealt with in the Bologna documents so far), it certainly is a problem (problem and/or solution) for some biggest transition countries, including Poland and Romania. The role of the private sector there is significant. So far, by ignoring this sector in CEE countries, and thereby ignoring powerful market forces and market mechanisms in higher education, the Bologna process is indirectly refusing its legitimacy to this sector. And this sector is often closer to the recommendations of the Lisbon Agenda than the public sector in higher education. The Bologna game in higher education is the most powerful game in town in most transition countries; for most governments, it provides the best rationale available for reforming the systems which have not been transformed in most of them in recent 10-15 years. Subsequent transition countries join the process and the number of signatory countries already exceeds forty. Bologna provides the major impetus for otherwise static systems, and the idea of catching up with a larger European trend is often much better received by the general public in these countries than in Western European countries. Even more, in some non-EU transition countries following Bologna requirements is even regarded as bringing the country closer to the EU, or seen as a temporary substitute for EU membership (for a panorama of higher education policies in CEE countries, see Tomusk 2004).

The Bologna process documents should recognize the importance of market mechanisms in higher education in countries where they do not exist so far (a bulk of transition economies), and should recognize the important role of the private sector in those transition countries in which there does not seem to be a chance for the expansion of the higher education system without introducing the private sector. Major guiding threads for Western European institutions – as Bologna process looks today – may not be enough to guide institutions in transition countries. Blind acceptance of the Bologna process, and especially blind acceptance of its general conceptual framework and resulting conceptual and analytical omissions, may have far reaching consequences for educational systems in these countries. The future of the private sector in transition countries is a good example here. There are crucial differences between reforms in Western Europe and in post-communist transition countries (see Radó 2001). Bologna-related reforms undertaken in Western Europe are much more functional (fine-tuning, slight changes etc); reforms in most transition countries, by contrast, need to be much more substantial (or structural).

The Bologna process is one of the most ambitious transformations of higher education systems on a regional scale in the world today. Its impact on the future of European higher education is potentially deep and long. And at the same time, unfortunately, the process seems to disregard the rise and rapid growth of the private sector and, more generally, the emergence of powerful market forces. The refusal of recognition of the process is an attempt to *refuse legitimacy to the whole sector*. The fact that Bologna process in its documents does not use the word “market” or the word “private”, in transition countries which still have their systems in flux, and still do not know how to expand access to higher education under severe state underfunding, means the refusal of the legitimacy of the sector, the rejection of the competition between the public and private sectors, and the implicit suggestion that the existence of market mechanisms in teaching and research is fundamentally wrong. Consequently, the ideas behind Bologna, analytical tools it provides, the wider picture of the role of higher education in society and economy, and policy recommendations it develops, may have unanticipated and unconsidered and perhaps mixed effects on higher education systems, especially in Eastern (rather than Central) Europe where it is still possible to grant or refuse legitimacy e.g. through new legislation. In the countries with the biggest share of enrollments in the private sector, it is impossible to refuse legitimacy to private higher education now that it has full social and legal recognition but in those countries in which the private sector is only beginning to be formed, an implicit “no” from the Bologna process to

the sector – and to market forces in education in general – may have far-reaching consequences for further expansion of national higher education systems. Bologna process, to be an effective integrating tool on a European scale, needs to take into account the *fundamental difference* between Western European countries and some transition countries with respect to the role of the private sector and market mechanisms. The private sector is most often and in most transition countries (especially in Central Europe) a socially legitimate, fully legal and future-oriented part of higher education systems; to a large extent, it is socially accepted and recognized as legitimate provider of skilled workforce to the national economy and is recognized by the labor market.

This is not exactly a sheer omission, though: by ignoring a large-scale social (and economic) phenomenon, the private sector in education for some unspecified reasons is refused legitimacy within the Bologna process. It is legitimate in the eyes of national populations in most transition countries in which it functions more than marginally – but it is not legitimate, by being omitted, within an ongoing integration of European higher education systems. This may be confusing for governments, students and even faculty teaching in the sector. It is also important to note that in many transition countries things have not got changed in the public education sector substantially in recent 10-15 years and these countries still need to expand hugely their systems. Without the private sector, without market forces and additional non-state funding, and resulting competition between the private and the public sector, without lower-level professionally-oriented private institutions (of the academic level of the American community colleges), the proportion of young people pursuing higher education will not correspond to global and European trends (US – about 70% and Western Europe – about 50% of the relevant age cohort). Also the rejection of market forces from the conceptual framework provided by the Bologna process (in contrast to the EU Lisbon strategy and the European Commission's publications about the future of European universities) may have far-reaching consequences in transition countries in which public funding for higher education and research and development is very low and other social needs are equally, if not more, pressing, to mention healthcare and old-age pensions. Bologna process implicitly uses the assumptions which hold in Western European welfare state regimes (especially Continental and Scandinavian, much less South European and Anglo-Saxon) but which cannot and should not be taken for granted in countries which are still grappling with finding welfare state regimes which are affordable to them.

At the same time the role of the private sector in the countries of Central and Eastern Europe – considering its ability to adapt to the new societal needs and new market conditions combined with the drastically underfunded and still unreformed public institutions with limited capacities to enroll larger numbers of students – and despite its lack of recognition on the part of the Bologna process is bound to grow. Private institutions represent a wide variety of missions, organizational frameworks, legal status and relations to the established institutional order. There are significant differences between particular countries of the region, too. There is a growing need for clear policies (resulting also in thoughtful legislation) with respect to this sector and powerful market mechanisms in higher education and the Bologna process could clearly provide some guidance to the transition countries if it wants to maintain its coherence throughout enlarged Europe, and beyond, and for the simple reason that it provides the major impetus for reforms in educational systems in numerous transition countries; the policy of not seeing these issues in the long run may be counter-productive. What is certainly needed is the disinterested analysis of the current (in-transition) state of affairs, largely unexplored so far in international educational research, and conclusions as to how to deal, in theory and in practice, with growing market forces in education; how to regulate privatization and corporatization of educational institutions and research activities within ongoing reform attempts, and finally how to accommodate principles of the "European Research Area" and requirements of the Bologna process to local conditions of those new EU countries where the private sector has recently grown surprisingly strong and especially to those Bologna signatory countries where without developing private higher education the expansion of higher education and significant raise in enrollments seem difficult to achieve.

The old EU-15 (with notable exceptions of e.g. the UK or the Netherlands) is one of the few remaining places in the world which are relatively resistant to market forces in higher education and in university research (at least declaratively, as seen from documents on the European level; in practice the situation may be much different); again, some countries of Central and Eastern Europe, for a variety of institutional, political and economic reasons, seem to be much more influenced by market forces and their higher education institutions are already operating in highly competitive, market-driven and customer-driven environments. At the same time, from a global perspective, there should not be much doubt about the direction of changes in the public sector generally: less state, more market (see Kwiek 2004). My guess is that no matter whether the Bologna process documents and analyses mention the phenomenon or not, the change is already taking place and more market forces in numerous

places have already come to European higher education institutions. The world today seems too strongly interrelated to assume that although market forces are affecting higher education globally, and the private sector is generally booming globally, the last bastion of resistance will be the signatory countries of the Bologna process in Continental Europe (especially that the market forces have already come as part of a much wider package of ongoing or envisaged institutional changes of the welfare state model and they will not go away).

In some transition countries which are still in the process of deciding what to do with their educational systems and how to expand them, the lesson of Bologna may be confusing. They might be inclined to follow strictly the letter, but also the spirit of Bologna reforms, and consequently to *refuse legitimacy* to emergent forms of private sector in their countries. The impact of the specific conceptual apparatus of the Bologna process – *formed by Western Europeans for Western Europeans* who do not give legitimacy to the private sector in education and market forces in education in most general terms – may be especially strong in those least developed transition countries where the Bologna process is viewed as a substitution for EU membership. For countries with strong market traditions, like Poland, Bologna's peculiar way of viewing higher education does not matter as much as for Kosovo, Albania, Macedonia or Bosnia and Herzegovina which are only beginning to think about expanding their systems and increasing access to their systems.

Reflecting the ideas of the European Commission more than those of the Bologna process, the private sector is mostly vocationally-oriented, provides practical knowledge and experience, and it is there that the student and teaching is in the center, as opposed to traditional public universities which are still faculty-oriented. The overall perspective provided by the Bologna processes – readable and comparable degrees, two cycles of studies, undergraduate and graduate courses, European-oriented development of new curricula etc – has been smoothly implemented in numerous private institutions in the region in recent decade or so without using the Bologna label. The indirect refusal of legitimacy to the private sector and the market forces in higher education within the Bologna process does not seem to mean much for such countries as e.g. Poland. Here the sector is well-developed, solid and has full legitimacy, both in legal and in social terms. But in other Bologna signatory countries in Eastern Europe (and perhaps in the Balkans and the Caucasus), this implicit stance towards the sector and explicit stance towards the market mechanisms in education in general may lead to the adoption of policies and laws which might make further expansion of national higher education systems

almost impossible. In the context of the “Europe of Knowledge”, this is the worst-case scenario. Without introducing market mechanisms and facilitating access to higher education to larger part of the young population, the universal higher education and competitiveness of highly skilled European nations which is at the core of Western European ideas behind the Bologna process can be very difficult to be reached. Taking Bologna process too seriously, in these transition countries in which access to studies is limited and where private higher education is not available may have undesired and unintended social consequences, increasing the gap between major Western EU countries and these countries.

4.

In view of global developments, the powerful presence of both the private sector and market forces more generally in higher education should not be disregarded in thinking about the future “Europe of Knowledge”, and should not be omitted in the conceptual scheme of the ongoing Bologna process. So far, within the Bologna process, the two issues are virtually non-existent. There is an important difference in this regard between the Bologna process and the parallel process of the emergence of the European Research Area (stimulated, funded and coordinated by the European Commission). There is an interesting discrepancy between documents, communiqués and reports produced in recent years within the two ongoing processes with regard to the role of the market forces in higher education and in research and development. At the same time, the refusal of legitimacy to private higher education and the market forces in education in general within the Bologna process may lead to the limitation in the expansion of higher education system as a whole in numerous transition countries where the private sector has not been developed so far. The consequences for the integration of Europe (or a larger than the Europe of the EU – from Portugal to the Caucasus) in higher education may be long-lasting there: we might have almost universal elite, difficult-to-reach higher education with limited chances for further expansion.

Private higher education and strong market forces in operation in education in transition countries require careful analysis in European educational research. Virtually unknown in the old EU-15, they may indicate more global trends and tendencies, to be seen in the old EU-15 *in the future*. Both serious problems and excellent solutions brought about by the private sector in transition countries deserve careful academic attention. The Bologna process, neglecting these developments, is an example how experiences in the peripheral European

countries can be out of research focus today; it is therefore very interesting to follow the consequences of this omission in the transition countries while the process is being implemented, and react accordingly. In the context of European postcommunist transition countries, I fully agree with Daniel C. Levy who notes – without developing the point – that a dramatic emergence of private higher education

> [R]esults in part from powerful global tendencies that limit the financial role of the state, privatize, and internationalize in overall development policy. These are *tendencies from beyond higher education policy*. … Private roles largely emerge outside higher education policy, from non-higher education changes (Levy 2002: 8, emphasis mine)

Consequently, future roles of higher education institutions, including private ones, may be severely dependent on the future roles of the state, the scope and variation of the welfare state regime to be adopted in particular transition countries; the direction for future research is thus to trace Bologna failures and successes in national contexts, and discuss them in a wider European context – both of which reach beyond merely higher education policies. Increasingly, the contexts for research may be related to transformations of the state/market relationships, the retrenchment of the welfare state and the reformulation of the functioning of the public sector in general (which I am doing elsewhere, see Kwiek 2005).

* This is a much shortened version of a paper whose full version is forthcoming in a book edited by Snejana Slantcheva and Daniel C. Levy, New York: Palgrave, 2006.

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