Chapter 5
The Public/Private Dynamics in Polish Higher Education. Demand-Absorbing Private Sector Growth and Its Implications

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Introduction

The paper links several interrelated processes in Central and Eastern European higher education: expansion through two types of privatization (external: new private providers, and internal, public universities charging fees in a nominally free public sector), severe fiscal constraints limiting further tax-based growth of higher education, and the gradual denigration of the research mission of universities caused by almost two decades of their continuous focus on the teaching mission and by general underfunding of university research in the region. Long-term consequences of the unprecedented growth of the private sector in Poland in the two decades of 1990-2010 are studied, with special emphasis on the consequences of accompanying processes of the deinstitutionalization of the university research mission taking place in public universities: the decreasing role of traditional academic institutional rules and norms and traditional institutional patterns of academic behavior in Polish universities in the period. A new wave of reforms in Poland (2008-2011) is discussed, as possibly leading to substantially revised rules, norms and patterns of institutional behavior. Poland, with 31.5% of student enrollments in the private sector in 2010 (out of 1.84 million students), provides a unique case to study the two decades of demand-absorbing growth of private higher education with all its advantages and, as mostly discussed in the present chapter, limitations (for advantages, see Kwiek 2007b, 2008c). The overall context of the chapter is the emphasis on further expansion of higher education in Europe argued for by both knowledge economy theories and (repeatedly) by the European Commission policy documents, with a policy wish to close the enrollment gap between the European Union and the USA. Finally, the chapter presents conclusions and directions for further research. Experimenting with privatization in higher education, substantially increasing access to it in the last ten to fifteen years, were especially strong in Central European systems, Poland being the biggest system in the region and the most notable example. New “public-private dynamics” (Enders and Jongbloed 2007), in various forms, emerges in Europe and the chapter focuses on those systems which have used privatization processes for the expansion

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of their higher education in the context of increasingly competitive public funding for all public services generally, not only for higher education (see Kwiek 2006). Especially, the chapter studies the long-term consequences of the expansion through privatization for the system as a whole and for public sector institutions.

“Independent private” higher education as a Central European specialty

The demand-absorbing growth of private higher education (wave III of private growth, different from wave I, Catholic, and wave II, elite, analyzed for Latin America by pioneering work of Levy: “a non-elite response to the failure of the public sector to meet the growing demand for higher education. ... public failure in the loose sense of avoiding tasks”, see Levy 1986: 59ff.) can be viewed as a major differentiating factor both among Central European higher education systems and, generally, between Central Europe as a whole and Western Europe. What OECD statistics call “independent private” tertiary education is, in Europe, a very specific phenomenon of Central Europe: among OECD economies, in tertiary-type A category in 2009, Poland had 33.4% (comparable only to a single Western European country, Portugal, with 24.3%), the EU-21 average being 8.2% and OECD average being more twice as small, or 15.3%. Apart from Poland, the highest enrollments in independent private higher education in Europe are in Romania, Bulgaria, and Latvia; among European OECD members, Czech Republic and Slovak Republic with enrollment levels of 12.9-13.3%, Estonia with 8.6%, Slovenia with 3.4% and with Hungary 0% (OECD 2011: 307) are exceptions to the general rule that higher education growth in transition countries could be achieved through the growth of demand-absorbing private higher education, accompanying the growth of the public sector.

The emergence of private higher education in the region has been “sudden, shocking, and unplanned”, and the leap in enrollments in the sector was “meteoric”, as Levy put it (2007: 280, see also Levy 2008, Slantcheva and Levy 2007, Scott 2007a, 2007b). The growth of the sector has led to severe legitimacy concerns, though, and “it was comparatively easy, fueled by sudden political and economic change, and because enrollments had been remarkably low. ... This suggests a contrast between growth (as well as other successes) and conventional social legitimacy: contextual conditions may facilitate new institutional growth and achievement even while much of the public, including the higher education establishment, casts a wary eye” (Levy 2007: 280).

Private higher education is still trying to gain social legitimacy – but after two decades of its existence in the region, the overall conclusion is that its social legitimacy is still a long-term goal. By comparison, private higher education in other parts of Europe, for instance, in Nordic Europe, is exclusively state-subsidized “government-dependent private sector” (and it is not studied within
European or global research into private higher education, being a “mixed” type, see PROPHE research project coordinated by Daniel C. Levy or a comparative study by Wells et al. 2007; enrollments in “independent private” tertiary education (type-A) in the Nordic countries are 0% in all 4 Nordic countries and have marginal value at the type-B level only in Denmark, at 0.6% OECD 2011: 307). It is of marginal importance in Europe except for such countries as France, Spain and Italy where it is small (14.2, 10.3 and 7.6%, respectively).

The growth of (independent) private higher education raises important equity, affordability and access issues. Standard questions globally asked about its demand-absorbing type are the following: access of whom, access to what, and access on what financial conditions, i.e. the social composition of its student body, the quality of the private sector, and cost-recovery mechanisms in force in the system (fees, loans, and financial assistance to students in the private sector).

Empirical studies show that Poland clearly witnessed the decrease in inequality of access to higher education in the last twenty years (as opposed to the increase in inequality in the Czech Republic, perhaps owing to relative lack of affordable private higher education there, as well as potentially in other regional systems, see Mateju et al. 2007, and generally Shavit et al. 2007). Poland is one of those systems in the region which successfully combine access with equity, with some systemic disadvantages, for instance, the denigration of the research mission of Polish universities, especially in “soft” areas of studies, and their increasing focus on paid teaching in the last two decades – which inevitably leads to their weak research visibility and low research productivity. The general question is whether the widening access agenda without the system differentiation agenda is leading to increasingly teaching-focused higher education systems, as in Poland today? Is the increasing teaching-focus of higher education, fuelled by low public funding per student and low research funding per academic, as well as uncompetitive academic salaries compared with other professionals, leading Central European systems, Poland in the forefront, away from the (academic) center to the (academic) peripheries (see Altbach 2007)? Probably Central European countries are still in the (relative, loosely understood) academic center, for instance, Poland still ranks in the global top 20 in terms of research output in four areas: chemistry, mathematics, physics and astronomy – but there has been, and still is, a danger of its falling into academic peripheries, should the financial austerity and some variant of the “misery for all” policy in higher education (non-competitive, equal distribution of research funding to all eligible academic units, regardless of their research productivity) continue. Recent EU research funding policies (such as the emergence of the ERC funding model) can potentially contribute to further East/West divide, the amount of ERC grants won by researchers from the region being in the range of a statistical error. A recent wave of reforms of higher education (2008-2011) is clearly leading in the direction of what in Poland is called a “grant culture”: substantially more research funding is made available on a
competitive basis to individual academics and research teams, and substantially less
research funding is guaranteed to individual institutions or their units (first
competitions for research funds opened in two new research councils, the NCN for
fundamental research and NCBIR for applied research, were held in 2011, and the
interest of the academic community has been very high: only NCN received about
8,000 grant applications).

Polish public universities are certainly not a “closed shop of the middle
classes” or “gatekeepers to the elite” (Furlong and Cartmel 2009: 17), although
precise data on the social composition of the student body in top universities, and
especially in most lucrative study areas in top universities, are fragmentary (one of
the reasons for the lack of precise data is the legacy of the communist period in
which access to higher education was strongly correlated to social origins of
candidates, with a system of preferential points for those from lower socio-
economic classes, especially strong until 1965). Nevertheless, in practice, the
situation of Polish graduates is not substantially different from what Brown and
Hesketh concluded about the UK: “the ‘best’ companies want to recruit the ‘best’
people who are most likely to attend the ‘best’ universities, because they are the
hardest to enter” (Brown and Hesketh 2004: 11). Polish higher education system is
far more open to upward social mobility than several largest traditional Western
European systems such as e.g. French, German, English or Spanish systems (which
historically can be attributed to the communist period and practically – to two
decades of the existence of easily accessible and relatively affordable private higher
education, combined with the legal opportunity of holding multiple employment for
Polish academic staff). Also top Polish public universities, from a European
comparative perspective, are relatively open to students from disadvantaged social
and economic classes, both in their first track (tax-based), and, especially, in their
second (fee-based, part-time) track. Both public and private sectors are relatively
open to newcomers to higher education in a social sense, or to “first generation
students”. With demographic changes, and the number of students expected to be
lower every year until at least 2025, both sectors can be even more open to
candidates from more non-traditional social backgrounds and from more non-
traditional age groups.

At the same time, compared with other European countries where (OECD’s)
state-subsidized “government-dependent private sector” exists, the extent to which
“traditional boundaries and understandings of the public and private spheres in
higher education have become blurred” (Enders and Jongbloed 2007: 9) is very
limited. While in Europe generally the public/private split is becoming increasingly
complicated (and it is increasingly more complicated what “privateness” and
“publickness” of higher education means from the perspectives of ownership,
financing, and governance), in Poland so far the split is clear-cut. The boundaries
are not changing and the difference between the two sectors is not becoming
blurred from above perspectives: public funding for the private sector is marginal
(and in 2010 it was 2.8% in research funding and 1.9% in state subsidies for teaching); private sector institutions have private founders and owners (individuals, associations, or companies). Private funding through fees of the public sector is substantial but decreasing in the last decade, and expected to be further decreasing for demographic reasons, reaching 17.4% of public universities operating budgets, or about 560 million EUR in 2010), private funding for research in public universities is still marginal, although increasing. Management and governance modes in the two sectors are different and clearly defined: while public institutions are still following traditional collegial models, private institutions are following business-like, managerial models. In terms of who makes decisions in educational institutions, who owns them and who pays for educational (and research) services, the blurring of the public/private distinction is not taking place in the Polish system at the moment. And is not expected soon. Thus the terms “public” and “private” have still well-defined senses in the Polish context, as opposed to their European (Enders and Jongbloed 2007) and American contexts (see Morphew and Eckel 2009, Priest and St. John 2006, Geiger 2007).

The expansion of higher education through internal and external privatization

A phenomenal expansion of higher education in new EU member states in the last two decades, following the collapse of communism in 1989, needs to be viewed in the interrelated contexts of the political, economic and social processes leading the whole region towards democratic societies and capitalist economies.

Higher education systems under communism were closed and elitist: the massification processes have not started in the region before the 1990s and therefore, compared with most Western European countries, transition countries were clearly laggards in terms of enrollment levels. To show the gravity of upward social mobility enabled by higher education expansion in Poland in a nutshell: the number of students increased from about 400 thousand in 1989 to about 2 million in 2006 (and beyond), and the share of economically active population with higher education has also increased substantially (from 15.36% in 2003 to almost 25% in 2009), while maintaining one of the globally highest wage premium for higher education throughout the two decades. A massive expansion of higher education system has increased the gross enrollment rate in Poland in the last two decades from 13% in 1990 to 51% in 2009. The number of graduates in 2010 (440.000) was ten percent higher than the number of all students in 1989 (about 400.000). What is unique to the processes of massification in the region is that the expansion of higher education systems in several countries (Poland, Romania, and Bulgaria in particular) was strongly linked to the processes of privatization of higher education. The theme of privatization in Central Europe seems heavily under-researched, and in particular the systemic consequences of privatization for public sector
institutions are neglected in both research and policy studies. The chapter is an attempt to draw a larger picture, with further, more detailed research, to follow (see Kwiek 2012).

From a wider perspective, the knowledge economy seems increasingly to require (globally) more and more skilled workforce. European higher education systems as a whole are assessed by the European Commission to need a further 50% increase in higher education enrollment levels to close the gap with the USA (i.e. an increase from 25% to 38% is needed, EC 2005: 11). As a recent Fifth Report on Economics, Social and Territorial Cohesion stated, the current pace of expansion of higher education still does not guarantee the reaching of the 40% target (of the Europe 2020 strategy) of those aged 30-34 with a higher education degree: the target is currently reached in one in six European regions only, and “most others will need to increase greatly the capacity of universities” (EC 2010: xiii). Social cohesion in Europe is believed to rely heavily on further, thoughtful expansion of higher education systems and several Central European countries (and Poland in particular) can offer powerful lessons about the expansion related to the last two decades of social transformations. Higher education (and training), on the grounds of human capital theories, increase labor productivity – but it is also one of the key factors in increasing social cohesion. It also leads to higher life satisfaction and higher democratic participation. The European Union is thus viewed to need both the improvement of access to higher education and the increase in total (public and private) funding in higher education. But, at the same time, European economies are expected to be generally underfunding all their public services in the coming decade(s), including to be continuing to underfund higher education (underfunding being a highly relative concept, especially compared with the USA; see Powell and Hendricks 2009 and Pestieau 2006 for public services; Johnstone and Marcucci 2010, Aghion et al. 2008 for higher education; what is underfunding for one system can be lavish funding for another system). Transition countries in the 1990s have been experimenting with the privatization of various segments of the welfare state, including both cash benefits (such as old-age pensions) and benefits in kind (such as health care and higher education, Barr 2004: 89-92). The traditional welfare state seems to have been heavily “overburdened” (Spulber 1997) in the region, and operating under increasing financial pressures, with huge consequences for tax-based funding for higher education in the future. Privatization in (and of) higher education in the region seems to be part and parcel of privatization in (and of) other public services generally (see Kwiek 2006, 2007a). The response of the state in Central and Eastern Europe to social pressures to increase access to higher education was to provide a legal framework for the introduction of new services (fee-based teaching in the public sector, fully self-reliant private sector) rather than to provide public funding for them. To a large extent, especially in the 1990s, the educational expansion was self-financing, with a limited burden to the public purse.
Privatization in (and of) higher education in the region had at least two crucial dimensions: the first was ideological (it was ideologically accompanying massive privatizations in the economy in general, as part of the “Washington Consensus” and its three neoliberal guiding principles: stabilization, liberalization, and privatization policies, Orenstein and Haas 2005: 145ff), and the second was financial (severe financial austerity affecting all public sector services). In the 1990s, when privatization in higher education emerged, the financial dimension of the process was certainly more important, and on the policy level it was accompanied by the overall lack of interest of policy makers in social policies generally, in the midst of large-scale economic reforms called rightly in Poland a “shock therapy”. The “Washington Consensus”, as Orenstein points out, “had little to say on the social-sector restructuring that was to become such a large part of postcommunist transformation” (Orenstein 2008: 85). The process of reforming social policies in Central Europe during the postcommunist era turned out to be “much longer and much more difficult than most experts anticipated” (Inglot 2005: 3). The general lack of reformers’ focus on higher education had far-reaching consequences: the policy of non-interference, or leaving higher education reforms for the future (Kwiek 2008c), was dominant.

What D. Bruce Johnstone stressed recently on a global scale was valid already in the 1990s in the region: the crucial role in underfunding of universities is played by what he termed “diverging trajectories of costs and available revenues.” These trajectories are a function of (a) per-student costs, (b) increasing participation, often accompanied by population growth, and (c) the steadily decreasing revenues supplied by the government (Johnstone 2007: 1). One of the implications of the inability (or unwillingness) of the state to fund the expansion of its higher education system can be the growth in the level of privatization of educational services, and this is what took place on a massive scale in several countries in the region.

The two main types of privatization are external privatization (the new, booming private sector) and internal privatization (fee-paying courses offered in the nominally free public sector). If privatization is viewed as a “process or tendency of universities taking on characteristics of, or operational norms associated with, private enterprises” (Johnstone 2007: 1), then the privatization of higher education has been flourishing in several major European transition countries for two decades now. In general terms, privatization is “the transfer of activities, assets, and responsibilities from government/public institutions to private individuals and agencies. Education can be privatized if students enroll at private schools or if higher education is privately funded” (Belfield and Levin 2002: 19). Poland provides examples of both processes of privatization: increasing private provision and increasing private funding in both sectors (see Kwiek 2009a). The emergence of powerful market mechanisms in public higher education competing for fee-paying students and the emergence of the private sector in Poland can be
viewed as the two different faces of the same process of privatization of higher education. Both public and private sectors have been following the same road (see on the marketization of both sectors, Kwiek 2010). At the same time, the future of private higher education in a system in which the public sector does not charge fees and, on top of that, is still expanding under declining demographics, is extremely complicated, as different scenarios for the next decade show (see e.g. Kwiek 2011, demographic trends in OECD 2008). It is commonly assumed in both scholarly discussions and policy debates that between 50 and 75% of private higher education institution will disappear (merge with others or close down) in the next ten years, leading to a substantial consolidation of the sector.

The key factor determining a substantial increase in equitable access to Polish higher education documented for the decade of the 2000s was the liberal attitude of the state and its agencies toward the emergent private sector back in the 1990s. The growth, followed by the consolidation, of that sector occurred owing to what we have termed elsewhere the “policy of non-policy” (Kwiek 2008). As Belfield and Levin (2002: 29) put it, “the first factor to explain privatization in education is simple: many parents want it”. Indeed, Polish students (and their parents), for a variety of reasons, wanted higher education. The result was the phenomenal numerical growth of enrollments in the private sector: 500 students in 1991, 70,400 in 1995; 445,400 in 2000 and 621,000 in 2005. The growth of the sector slowed down but continued until 2009 when, for the first time in its short history of two decades, a sharp decrease in enrollments took place. For mostly demographic reasons, the total number of students in Poland reached the ceiling of about 2 million in 2006 and then gradual decreases in both total numbers and enrollments in the private sector took place. In 2009, for the first time ever, enrollments in both public and private sectors decreased, reaching 1.900 million (633,100 in the private and 1.267 million in the public sector, and then again in 2010 enrollments decreased, to 580,100 and 1.261 million, respectively).

Polish higher education “market” became substantially “deregulated” in the 1990s: the total number of private higher education institutions in Poland in 2010 was 328, and the share of enrollments in private institutions has been growing every year since their appearance until 2009. Case studies from other European transition countries show a more usual pattern of strict regulations, underscoring Poland’s exceptionality in terms of its liberal atmosphere in the 1990s in allowing increased access to higher education in both sectors through new cost-recovery mechanisms. Also enabling this expansion was the exceptional differentiation of the system which is also rare in most European transition countries where elite institutions seemed to have prevailed. A two-tier degree system (and the private sector focusing mostly on the undergraduate studies, leading to BA degrees only), new modes of studies (part-time, weekend-modes), and a large vocational education sector flourished in Poland already in the 1990s. Fostering this growth were equally liberal approaches to quality assurance mechanisms, licensing, and
accreditation that encouraged the nascent private sector during its first decade of operation. Low but gradually growing social legitimacy and public recognition of private higher education was another factor, leading to gradually increasing labor market acceptance of graduates from the private sector, especially in the 2000s.

Further expansion of higher education: how to justify it?

The growth of private higher education in the region does not necessarily mean “better” services, or “different” services: it means most of all “more” higher education (to refer to Roger L. Geiger, as Enders and Jongbloed remind – “the third, and most prominent driver of recent growth in private provision consists of institutions that provide more higher education and absorb demand that is not met by public providers. ... Usually, governments lack the resources or the responsiveness to fund a massive expansion of the public higher education sector”, Enders and Jongbloed 2007: 20). The expansion of the Polish system was made possible by its powerful processes of external and internal privatization, dual phenomena that opened higher education to market forces from which it had been isolated for several decades. The state encouraged cost-sharing in both sectors. Hundreds of thousands of students gained access to higher education, which for the first time began to differentiate sharply by institutional type. Along with elite public universities, there appeared private institutions that had the ability to absorb the demand from new, differentiated student populations. Although public sector institutions continued their previous policy of being nominally free, they began offering fee-based weekend studies, open to those who had not been able to obtain a full-time slot. The expansion of the system through this dual form of privatization has fundamentally changed access to higher education in Poland. As Morphew and Eckel emphasized in their book on Privatizing the Public University, “access and affordability are primary factors in discussing privatization. Closely linked to these ideas are the questions who pays, how much, and why” (Morphew and Eckel 2009: 183, see also Johnstone and Marcucci 2010 on Who pays? Who should pay?). An important factor leading to the success of the private sector was a large, and growing until recently, number of private providers: academically weak, and generally unable to compete with public sector institutions in research activities and for public research funding, private providers emerged in numbers (146 in 1997, 195 in 2000, 252 in 2002, 315 in 2005 – and 328 in 2010) which made the price competition between them unavoidable and which made studies affordable for lower socio-economic classes. Higher education became an affordable product, available on a large scale, and higher education credentials for the young generation became a rule, not an exception).

The growth of the private sector in Poland has not been a geographically isolated educational phenomenon. There is a powerful global trend of growing enrollments in the private sector. For the most part, European Union countries play
a marginal role in it, although exceptions, as mentioned, include Poland, Romania
and Bulgaria in the postcommunist region and Portugal in Western Europe. Speaking of the growth of the private sector generally, Daniel C. Levy notes that
the 20th-century norm and persisting public norm is state funding of public
universities and, overwhelmingly, private sources of funding for private institutions
(Levy 2006). Poland closely follows this global funding pattern.

Equitable access to higher education and educational expansion become crucial
policy terms to discuss higher education reforms in Poland in recent years, together
with several others such as the internal differentiation of higher education systems,
the diversification of funding streams, and stratification of student populations. But
how further expansion (to refer to the education gap of 50% in the EU, compared
with the USA, as highlighted by the European Commission) is to be performed in
existing organizational, administrative and especially funding arrangements? How
to organize, administer and fund further expansion? And how strong, also
empirically, is the case for further expansion? In Poland, strong empirical evidence
suggests that there is still enough space for expansion. The wage premium for
higher education, at both MA and also, surprisingly, BA levels, is very high, and
not decreasing over time. Higher education is still valuable asset on the labor
market, rewarded accordingly (Kwiek and Arnhold 2011). This is the case in
emergent economies, as OECD data tend to show, especially in several Central
European economies – but does not have to be the case in developed economies,
with such notable exceptions as the USA. In Western Europe, in general, wage
premium for higher education has been stable or slightly decreasing in the last few
years (see, for instance, the Nordic countries for which it is the smallest in the
OECD area, as recent OECD data indicate). The European Commission links the
need of increasing access to higher education to technological change, globalization
and new forms of work organization (EC 2008b: 23). At the same time, OECD
analyses stress that there is no evidence in current data suggesting any “crowding-
out effects” of lower-educated from the labor market by higher-educated
individuals: “on the contrary, there seems to be positive employment effects for
individuals with less education in countries expanding their tertiary education”
(Hanssen 2007: 18).

There is a strong line of criticism of the higher education expansion/knowledge
economy link, fervently voiced over the years by, for instance, Phillip Brown and
Hugh Lauder who conclude in their “Globalization, Knowledge, and the Myth of
the Magnet Economy” that “vast numbers of highly-skilled are available in
developing economies, the global expansion of tertiary education has outstripped
the demand for high-skilled workers, creating downward pressure on the incomes
of skilled workers in developed countries along with some upward pressure on
those in emerging economies” (Brown and Lauder 2006, see also Lauder 2006,
Brown and Hesketh 2004; the strongest arguments about the growth of the “high-
skill, low-wage workforce” in Western economies and the “broken promises of
education, jobs, and income” come from Brown, Lauder and Ashton 2011). Polish empirical data seem to support both arguments: Poland is an emergent economy with very high, and increasing in the last twenty years, wage premium for higher education. There seems to be no downward pressure on the incomes of highly skilled professionals, and gaining higher education credentials still seems to be the best individual strategy against unemployment, as national statistical data indicate.

In the overall majority of higher education systems and labor market systems in Europe, higher educational credentials lead to “better jobs” (see Holzer et al. 2011 on “where are all the good jobs going” in the US) and better life chances. Nevertheless, from a theoretical perspective of “positional goods”, developed for the first time in the 1970s by a British economist, Fred Hirsch (1976), there is always “social congestion”: the number of good jobs (for instance, prestigious white-collar jobs leading to high incomes, or to stable middle-class lifestyles) in a labor market system is always limited, and top jobs in a given system will always be limited, no matter how well-educated the workforce is. The division of economy in particular EU member states into major sectors (e.g. manufacturing, services, agriculture in OECD categories, or into major nine occupations, and “professionals” and all others in a UN terminology in particular) and its changes over time should be an important point of references in all “new skills for new jobs” (EC 2009) theoretical exercises linking growth in jobs requiring high skills with growth in students numbers. Educational expansion in labor markets already saturated with higher education graduates has certainly different consequences than educational expansion in labor market which are still far away from a state of saturation (the best example being monetary rewards from higher education in such clusters of countries as Central Europe on the one hand and the Nordic countries on the other. On average, CEE countries have considerably less educated labor force, so – one can assume – rewards from higher education are higher. Non-monetary rewards in the labor market include, for instance, low levels of unemployment for higher education graduates, and relatively faster transitions from unemployment to employment).

Also any research in the area should be cognizant of the potential limit to individual benefits from higher education attainment level as an individual shield against unemployment, or an individual life strategy inevitably leading to traditional middle-class lifestyles. From the theoretical perspective in which higher education credentials are “positional goods”, while collective, or public, benefits from educational expansion are increasing (as reported e.g. by the OECD indicators), individual, or private, benefits from educational expansion, as viewed e.g. through the proxy of wage premium for higher education, do not have to be increasing. In some European systems, as reported by OECD (2011), the wage premium for higher education has been consistently high, and increasing, on a global scale, in the last decade. These are postcommunist Central European economies, such as Poland, the Czech Republic, Slovakia and Hungary. In other
systems, where educational expansion has started (much) earlier, the wage premium is much lower, and stable or decreasing (for instance, in the Nordic countries). There are several interrelated explanations but one of them is the “positional goods” argument according to which the advantage of higher education credentials in the labor market is relative, or positional: if collective efforts of ever-increasing numbers of young people are focused in the same direction, individual gains from individually rational life strategies do not lead to expected results (Brown and Lauder 1994, 2011; Hirsch 1976). The “positional goods” perspective needs to be born in mind in any cross-country research into benefits from higher education.

To a large extent, and exceptionally in Europe, the expansion in Central Europe was self-financed by students through cost-sharing mechanisms used in an emergent market of fee-based studies (the high-end of the market, or first choice for candidates, were tax-based studies offered in the public sector). But there are significant limitations to growth through privatization which need to be studied, based on lessons learnt in the last two decades of continuous expansion, slowing down only recently and expected to turn into educational contraction (Kwiek 2012). The limitations, apart from graduates’ concerns about the quality of studies, include also the response – other than viewed through the proxy of the wage premium for higher education – of the labor market to the processes of widening access, the continuous denigration of the research mission of (public) universities viewed through the proxy of low and, in many areas, decreasing over the years, research productivity accompanied by lower than expected research funding, and the unwillingness on the part of major university stakeholders (both the state, students, and the academic community) to reform public educational institutions from mid 1990s to at least mid-2000s.

The questions are, for instance, whether privatization can be a remedy to attain still higher attainment levels in higher education in those European systems where all traditional, publicly-funded routes of expansion seem structurally difficult to achieve, for mostly financial reasons? If privatization is indeed a remedy to enable further expansion, is it the sort of expansion that European labor markets need? How graduates from these private, (relatively) new and lower-end segments of higher education markets are matched to the labor market (seen, for instance, through the proxy of “job satisfaction” of recent graduates), and how employers view them compared with graduates from public institutions? Are trends affecting governance in public and private higher education institutions isomorphic or divergent? And how is internal privatization of public institutions (cost-recovery mechanisms including e.g. cost-sharing in teaching) and other related phenomena (such as, for instance, academic entrepreneurialism in research and third-stream activities, increasing reliance on non-core non-state income etc.) transforming their core missions of teaching and research? These are the questions which require further, especially empirical, research.
Global trends show that even in the contexts of wholesale public sector reforms worldwide and general “financial fragility of institutions and systems” (Johnstone 2008), radical further expansion can be financed by various forms of privatization. Central and Eastern European countries have experienced significant expansion: in three of them (Poland, Romania and Bulgaria), the role of the private sector in higher education expansion in 1990-2010 was absolutely crucial, as was the role of privatizing the public sector services in general, far beyond mere higher education, leading to more widespread social acceptance of privatization processes in general. It needs to be stressed, following Levy (2008: 13), that “it is impossible to understand contemporary expansion, including its size and contours and policy dimensions, without knowledge about both [public and private] sectors. It is also important to analyze dynamics between the sectors. What effects does a kind of access through one sector have on the other sector”.

The overall approach called the Skill-Biased Technological Change approach (see Machin and McNally 2007, Machin 2004) suggests that new technologies that improve the effectiveness of production process are “skill-biased” – higher educated workers are more able to respond to these new technologies than less educated workers. “This non-neutral technological change makes higher educated workers much more attractive for employers and therefore increases the demand for this type of workforce” (EENEE 2008: 6-7). Powerful arguments for further expansion of higher education systems come from OECD research, for instance from Machin and McNally’s study of education systems and labor markets: as they stress, “in no case considered here, can one speak of ‘over-supply’ of tertiary education. The strong, positive and (often) increasing return to tertiary education suggests that ‘under-supply’ is more of an issue and that continued expansion is justified. ... If there were over-supply, relative wages and employment probabilities would fall to the level of their closest substitutes – and that has not happened” (Machin and McNally 2007: 3). That has also not happened in Poland, despite massive educational expansion.

Labor force in Poland is increasingly better educated, and one of the major factors influencing it has been easily accessible and relatively affordable private higher education. The share of economically active population with higher education has been substantially increasing; in 6 years, it has increased from 2.578 million (2003) to 4.306 million (2009), or from 15.35% to almost one quarter (24.7%) of economically active population. This well-educated segment is the only segment of Polish workforce which is increasing substantially (by 1.8 million, or 67% in the same six years), with the segment of workforce with general secondary education increasing only slightly in the same period (by 20%) and all other segments decreasing. Still, the share of workforce with (combined) basic vocational and lower secondary, primary and incomplete primary education is considerable – almost 40% (39% or 6.799 million, 3rd quarter 2009). For both basic vocational and
lower secondary education, there were decreases in 2003-2009 (from 5.766 million to 5.200 million, and from 2.210 million to 1.599 million, respectively).

Compared with major Western European economies, Poland’s education gap has been substantially decreasing in the last decade, owing to high level of enrollments in higher education. Privatization (both external and internal) played here a critical role: between 2000 and 2009, the number of students was approximately 1.58-1.95 million, and the number of graduates – about 300-400 thousand each year. While the overall level of education of the Polish population as a whole is rising steadily but is still considerably lower than the OECD average, the overall level of education of economically active population is rising much faster. Older generations, with average lower levels of education, are steadily leaving the labor market, reaching the (still lower than in major OECD economies, on average) retirement age. The domination of (combined) labor force with basic vocational and lower secondary, primary and incomplete primary education was still considerable in 2009 – but much smaller than ten years earlier. Every year about 400 thousand higher education graduates enter the labor market which gradually changes the composition of the labor force. The number of higher education graduates is expected to be lower per year, as the number of students is expected to be lower (in the last six years, the number of students is staying in the same range of 1.84-1.96 million). Detailed statistical national and OECD demographic projections assess the number of students in 2022 to go down to about 1.2-1.3 million (see Kwiek 2012a, 2012b, OECD 2008c).

Transformations towards a better educated workforce is confirmed on the one hand by the increasing share of employees with higher education in the labor force. On the other hand, these transformations are confirmed by the increasing number of professionals in the labor force. For instance, among newly created jobs in 2008, the number of professionals was increasing (to 2.031 million) and the number of workers was decreasing (from 1.791 million to 1.686 million). Generally, there are more new jobs available for professionals than for workers. What is striking, and goes against the conventional knowledge about the economic benefits from higher education, is that Bachelors-level higher education seems to be already well recognized in the labor market, and well rewarded, leading to 133.9% of average salaries for Bachelors degree holders generally, and to 149.3% of average salaries in case of males. The economic benefit for men with Bachelors degree is higher (149.3%) than the economic benefit for women with masters degree (135%). Men are much higher rewarded for their higher education, regardless of the type (Bachelors or Masters) – by 25-30 percentage points. Employment structure

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2 Poland had one of the highest wage premium for higher education in general in the 2000s (together with Hungary). With the new methodology of private internal rates of return (or IRR) used by OECD recently, Poland still ranks very high among OECD economies for rewards from higher education: for males, its is the third best (22.8), following the Czech Republic (the first, with 29.1) and Portugal (23.9). Hungary is fourth, with 19.8. In largest
statistics and labor force statistics show that (higher) education is still highly valued in the labor market and is still highly rewarded in terms of remuneration. Consequently, the expansion has been welcomed by the Polish labor market, and there are (so far) no signs of its exhaustion. From the perspective of Hirsch’s “positional goods”, the point of “social congestion” has not been reached.

In view of the need for further expansion, as suggested by recent EC policy documents and as supported, for instance, by the Skill-Biased Technological Change approach, European systems in the next decade can be expected to experiment widely with the public-private dynamics of higher education systems. These changes may include levels and modes of public teaching and public research funding, contractual obligations of the academic staff, blurring boundaries between public sector and private sector organization, administration, management and governance, as well as the changing teaching/research divide between institutions (the 2010 changes in the English higher education seem to be going in this direction, including a dramatic increase in fee levels for national students). Various strategies may include in some countries the increase in the number of private institutions and in enrollments in private institutions, in other countries they may include changes in the legal status of public institutions to that of private (or non-state, opting-out of the public system towards a foundation-based institution, possibly a third category, as in Germany’s Saxony, North-Rhine Westphalia and Baden-Württemberg, or in Sweden) institutions. In still other countries, they may include the introduction or the increase in the level of tuition fees, with accompanying loan programs expected to take precedence over non-repayable scholarships. As Neave remarked in his paper on privatization, “the signs [in Europe] are very clear that what began as individual initiatives is on the way to becoming a broader and more general strategy” (Neave 2008: 32).

“Global scripts”, isomorphic change, and the future of the private sector

One of core areas for a discussion with “global scripts” in thinking about the future of higher education (see Gornitzka and Maassen 2011, Halliday et al. 2010) is the emergence of (“independent”) private higher education in Central Europe, and in no any other parts of Europe except for Portugal. As Meyer et al. put it recently,
Institutional theories, fairly uniquely, predict isomorphism and isomorphic change. This is perhaps the single most important implication arising from institutional theory. If higher education structures, like universities and colleges, reflect common models in national and world environments, they should show unexpected similarities across diverse settings and change in similar ways over time. And by all accounts, the university is indeed a central historic institution, core to the distinctive trajectory of Western and now world society. ... The empirical literature provides clear evidence on this issue. Educational systems are remarkably similar around the world, and increasingly so over time (Meyer et al. 2007: 193).

The growth of private higher education in Central Europe in general — “private higher education being a Central European phenomenon”, as emphasized by Levy (2006) — and the relative absence of this sector in other parts of Europe — stand in sharp contrast to the above institutionalist conclusion and need further elaboration. Conclusions need to be empirically-based, though, and the two decades of private higher education growth may be too limited time-span to provide adequate empirical evidence. It is possible that the Polish (as well as Bulgarian and Romanian) case will be similar to that of Portugal, with gradual decline of the sector in the last few years and more decline expected in the coming years.

The future of private higher education institutions depends, to a large extent, on both the future of public institutions and on powerful demographic trends which are expected to reduce the annual number of candidates for studies from ca. 490,000 in 2008 to 260,000 in 2022. Following the adoption of the new law on higher education (March 2011), studying full-time in the public sector remains free (or tax-based), leaving the future of the private sector fundamentally uncertain (to put it in a nutshell: even if the fee-based private sector disappears altogether from 2017 onwards, there will still be enough vacancies in the public sector to meet the demand. The Polish government is not reducing public higher education, directly or indirectly, through reduced teaching and/or reduced research funding available: on the contrary, the number of students in the public sector is increasing, as are public investments in university infrastructure, especially buildings). Consequently, even though the private higher education sector in Poland is the biggest in Europe in terms of its size and share of enrollments, it is currently very vulnerable: it will find it increasingly hard to compete with the tax-based public sector (in terms of the quality of education and the diversity of study areas) under demographic pressures.

Most recent (2010-2011) policy proposals in Poland included the introduction of large-scale public bids for teaching services, open to both public and private sectors. The basic idea behind the ministerial proposal at that time was that what really counted was the (vaguely expressed idea of) inter-sectoral, public-private “competition” which would lead to “better services”, which is a Polish variation of

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a global new public management idea of “doing more with less”. These policy proposals have been (perhaps only temporarily) abandoned. In fact, they are an avenue to let (parts of) the private sector survive in the future in which unprecedented demographic declines are projected. Certainly, an avenue to increase “financial self-reliance” of Polish universities – the introduction of universal fees in the public sector (the “fees for all” idea) – may also be viewed as an indirect support mechanism to let (parts of) the private sector survive in difficult demographic times. After the introduction of fees for all students in the public sector, the major current difference between the two sectors (for students) would be blurred (which is one of Enders and Jongbloed’s dimensions of changing public-private dynamics, Enders and Jongbloed 2007). So far, fees have not been introduced in the new law, and do not seem to be publicly discussed.

The question of the future of private higher education in the region is much larger, and requires a longer time-span to research; as Peter Scott notes: are higher education systems in the region “trendsetters” for Europe (providing models for other systems), 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”, a response to particular political circumstances i.e. an “internal phenomenon” (Scott 2007b: 309)? No final answers are possible today; both demographics and politics will play their substantial roles in the next decade – and the only relevant Western European reference point, Portugal, shows steady decline in enrollments in the sector which is currently seeking “strategies for survival” (see Teixeira and Amaral 2007).

The deinstitutionalization of the research mission in Polish public universities and its long-term consequences

The phenomenal growth of the private sector (called here “external privatization”) and the emergence of fee-based tracks in nominally tax-based public higher education (called here “internal privatization”) was not neutral to the Polish academic culture and for the intensity of research production in Polish universities. Traditional academic rules and norms in top public universities according to which research was of key importance to the academic enterprise were gradually weakening throughout the 1990s in the expansion-related, “soft” academic fields. The price of this process of weakening of traditional academic rules in “soft” (as opposed to “hard”) fields for top public universities was high, though: it was the prolonged institutional (as well as individual academic) focus on the teaching mission, rather than on the combination of teaching and research missions. In Poland, in the expansion era of 1990-2005, the rules constituting the heart of the institution of the modern research university were not followed, and this not-following was not sanctioned: dozens of thousands of academics from public universities, especially those prestigious, and especially in social sciences and the
humanities, economics, business and finance, were full-time engaged in additional paid teaching in emergent private institutions or in their own institutions (for fee-based part-time students), or both. Academic moonlighting at that time became the rule, not the exception. But also severe underfunding of research was the rule which we link here to the weakness of the academic community as an interest group (for a detailed discussion, see Kwiek 2012a).

The scale of moonlighting (or multiple employment) in Poland has been massive and its disciplinary concentration reflects the disciplinary concentration of private higher education (and part-time fee-based teaching in home public institutions). The data from the private sector show that in 2010 out of 17,136 full-time employed academics, only 503 (or less than 0.03%) indicated employment in a given private institutions as their “basic workplace”. For 99.9% of academics in the private sector, employment in this sector was additional to employment in the public sector. As Ministerial data from 2008 show, in the category of full professors, 37% were full-time employed in one additional institutions and 3% in two additional institutions: in total, 40% of all full professors were moonlighting. The data do not show the scale of part-time moonlighting, and refer to all academic disciplines which in practice may mean that perhaps 70-80% of all professors from the selected soft disciplines in which private sector was concentrated were holding multiple employment. In fact, in the vast part of the academic profession, teaching was where the action was.

The consequences of privatization of higher education are long-lasting and go to the very heart of the academic enterprise: privatization changed the balance between teaching and research orientation of faculty in top public universities. As Pierson reminds (from the perspective of historical institutionalism), “early steps in a process may fundamentally restrict the range of options available at later ones” (Pierson 2004: 133-134), and this may have been precisely the Polish case of higher education expansion.

The two decades of growth of private higher education would strongly support the path-dependence model: once the new sector was allowed into the system to introduce competition and increase access, everything else that followed was a mere consequence of this first step. Other options used in other Central European countries, such as gradual growth of enrollments based on gradually increasing capacity of public sector institutions (such as e.g. in the Czech Republic, Slovakia, and Hungary – as opposed to Poland, Romania and Bulgaria), were no longer available once the sector was emerging and Polish academics from the public sector became eagerly involved in its growth, as its founders, rectors, deans and faculty, keeping, at the same time, their posts in the public sector.

Let me refer briefly to interrelated notions used by students of institutional change, particularly by “new” institutional theory in political sciences: institutionalization, deinstitutionalization and reinstitutionalization. In short: for March and Olsen, “an institution is a relatively enduring collection of rules and
organized practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstance” (March and Olsen 2006b: 4). Constitutive rules structure institutional behavior: rules prescribe what is appropriate action: “to act appropriately is to proceed according to the institutional practices of a collectivity, based on mutual, and often tacit understanding of what is true, reasonable, natural, right, and good” (March and Olsen 2006a: 690). Basic logic of action is rule-following, and models assuming “logic of appropriateness” are opposed to models assuming “logic of consequentiality”. Institutionalization as a process of organizational arrangements is viewed as including the following three dimensions: increasing clarity and agreement about behavioral rules, increasing consensus concerning how behavioral rules are to be described, explained and justified, and increasing shared conceptions of what are legitimate resources in different settings and who should have access to, or control, common resources (Olsen 2010: 127). Deinstitutionalization implies that

Existing institutional borders, identities, rules and practices, descriptions, explanations, and justifications, and resources and powers are becoming more contested and possibly even discontinued. There is increasing uncertainty, disorientation, and conflict. New actors are mobilized. Outcomes are more uncertain, and it is necessary to use more incentives or coercion to make people follow prescribed rules and to sanction deviance (Olsen 2010: 128).

And reinstitutionalization implies “a transformation from one order into another, constituted on different normative and organizational principles” (Olsen 2010: 128). Deinstitutionalization, as Scott notes, refers to processes by which “institutions weaken and disappear”, as well as to “enfeebled laws”, “diluted sanctions”, “increasing noncompliance”, “eroding norms”, “diminished force of obligatory expectations”, “erosion of cultural beliefs and the increasing questioning of what was once taken for granted” (Scott 2008: 196). Indicators employed to assess the extent of deinstitutionalization range from “weakening beliefs to abandonment of a set of practices” (Scott 2008: 198). Deinstitutionalization as defined in a seminal study by Oliver on “The Antecedents of Deinstitutionalization”, is “a process by which the legitimacy of an established or institutionalized organizational practice erodes or discontinues. Specifically, deinstitutionalization refers to the delegitimation of an established organizational practice or procedure as a result of organizational challenges to or the failure of organization to reproduce previously legitimated or taken-for-granted organizational actions” (Oliver 1992: 564). Institutionalized organizational practices can “fall into disfavor or disuse” (Oliver 1992: 566). Of the three pressures that can lead to deinstitutionalization (political, functional, and social), the social pressures are most useful for present analyses and come closest to Olsen’s normative-oriented accounts of deinstitutionalization. Social pressures lead
members of the organization to discard (some) institutionalized practices and increasing normative fragmentation means a loss of consensus on the “meanings and interpretations that they attach to ongoing organizational tasks and activities” (Oliver 1992: 575). There is increasing “erosion of institutionalized rules through a declining normative consensus and cognitively shared systems of meaning” (Djelic and Quack 2008: 302).

Processes of deinstitutionalization of traditional academic norms, habits and behaviors in the public sector can be linked to the growth of private higher education in Central Europe. It can be argued that traditional rules of (authoritarian, communist) higher education were abandoned and there was no alternative set of rules available following the shock of 1989 (that annus mirabilis, as Wolf Lepenies called it, see also Kwiek 2003): a normative vacuum appeared in which all sorts of codes of academic behaviors and rules and norms of academic conduct became possible, without the risk for academics of being excluded from the academic community as bound by those codes, rules and norms. The dramatic growth of private higher education in the 1990s was made possible by this type of deinstitutionalization of traditional academic norms and habits in public universities. The price of this process for public universities was very high: the highest price to be paid was the gradual institutional denigration of the research mission, and continuing underfunding of research in universities. Decreasing academic interest in research (academics being involved in paid teaching in both sectors) was accompanied by decreasing research funding available.

In Poland in the 1990s, rules constituting the heart of the institution of the university, for years, were not followed, and this not-following of the rules was not sanctioned in any way: dozens of thousands of academics from public universities, especially those most prestigious, and especially in social sciences and the humanities, were generally neglecting the traditional research mission of their (until then still research-oriented) universities (although heavily dependent on the communist definition of what state funded research was) and were full-time engaged in additional paid teaching in emergent private institutions. The traditional “logic of appropriateness” (March and Olsen 2006a) of the university was not stopping the turning of huge social and academic energy into new terrains (profit-driven, although nominally non-profit private sector), and all sorts of public explanations and justifications were created at an ad-hoc basis. Massive involvement of Polish academics in the development of private higher education, with the cost of gradual denigration of the research mission of their public universities, can be explained from the perspective of the “logic of consequentiality” opposed to the “logic of appropriateness”. The “logic of appropriateness” which was no longer holding assumes that:

action, policy making included, is seen as driven by rules of appropriate or exemplary behavior, organized into institutions. The appropriateness of rules includes both cognitive and normative components. Rules are followed because they are seen as
natural, rightful, expected and legitimate. Actors seek to fulfill the obligations encapsulated in a role, an identity, a membership in a political community or group, and the ethos, practices, and expectations of its institutions. Embedded in a social collectivity, they do what they see as appropriate for themselves in a specific type of situation (March and Olsen 2006a: 689).

And the key to understanding the change processes in the 1990s in Polish higher education was the opposed “logic of consequentiality”: actors maximizing their (self-) interest (Olsen 2010: 126). The collapse of communism in general, and the emergence of the private sector in higher education in particular made traditional rules looking no longer natural, rightful, expected, and legitimate. The 1990s was the period of deinstitutionalization in public universities, and processes of reinstitutionalization are only emergent with new reform proposals of the end of the 2000s.

The long shadow of the denigration of the research mission of the university?

One of the fundamental consequences of the large-scale phenomenon of the growth of the private sector in the 1990s, accompanied by the processes of the deinstitutionalization of traditional academic norms in public universities, was limited academic pressures on reforming public universities, including limited pressures on increasing impoverishing salaries in the public universities. The pact between politicians and academics was that salaries were low or extremely low but holding multiple (sometimes more than two) posts in both public and private sectors would be tolerated. The pact between major university stakeholders was gradually popularized in society at large, with long-lasting consequences and a resulting shock of academics in the last few years when discussions about restricting this option of receiving additional outside salaries was started. For a period of almost two decades, rules were different, and “deviant courses of action” were not sanctioned – these actions were not viewed as resulting from norms alien to the institution; consequently, Polish universities became redefined institutions, with consequences for their mission (denigration of research), public funding (lower than could and should potentially be), social prestige (decreasing) and for their governance structures (after the initial changes in 1990 there were limited, if any, changes in management and governance structures, and the first law on higher education following the new law of 1990 was passed only 15 years later, in 2005). Lessening of traditional (academic) norms led to substantial institutional transformations, introducing new institutional cultures accepting actions and behaviors traditionally (academically) non-acceptable. The Polish university became a “divided institutions”, with huge differences in research performance between hard and soft fields (for empirical details of this internal division, see Kwiek 2012a).
It might be argued that a single phenomenon with most far-reaching consequences for public institutions in 1990-2010 and arguably beyond was the form in which the private sector was allowed to appear and grow, in fully parasitic relationships with the public sector (on parasitic relationships between the two sectors generally, both globally and in the US context, see Levy 1986: 312, Breneman 2006: 87). The denigration of traditional academic norms and acceptance of new academic codes of behavior have led to the phenomenal growth of the private sector on the one hand and, on the other, to the unprecedented decline in performance of the public sector, especially in terms of its gradually losing research aspirations, particularly in “soft” disciplines. Consequently, due to the lack of pressures on increasing public funding for university research, the phenomenon of dual privatization has led to lost research opportunities of Polish higher education in general. (Partially) self-imposed decrease in research aspirations in the 1990s has clearly led to context-dependent (relative) decrease in research production. No new socially convincing narrative on the mission of universities was produced in the meantime, and the traditional Humboldtian narrative was gradually losing its social legitimacy. As Offe explains,

Institutions come with an implicit theory about themselves, an ‘animating idea’ that provides reasons for their support and defense. ... An institution that is entirely incapable of providing widely accepted reasons for itself is, as it were, intellectually naked ... and, for this reason, in a precarious position and vulnerable to challenge (Offe 2006: 12).

It is quite possible that the 2008-2011 reforms in Polish higher education are socially feasible and technically possible because there is no socially recognized and commonly accepted grand narrative (or big story) about Polish universities that could be successfully supported and defended. The academic status quo is non-acceptable, and in this particular context sweeping, perhaps even revolutionary changes are discussed, and the results of the public discussion are unpredictable.

In the “critical juncture” periods (to refer again briefly to historical institutionalism, Pierson 2004, Streeck and Thelen 2005, Mahoney and Thelen 2010), when traditional “animating ideas” seem outlived, deeper changes are possible. There is at least a double danger, though: first, too many alien norms may be invading the institution, transforming the institution to its core; and, second, too heavy reliance in reforms (reforms of intellectually, ideationally, “naked” institutions at the moment, in the absence of a convincing big story about their social roles) on political short-term concerns. As Paul Pierson reminds in his criticism of the theory of institutional design:

The question of actors’ time horizons constitutes a central issue for analysts of institutional design. If politicians often have short time-horizons, this has important implications for theories of institutional design and change. Where designers have short time horizons and the short-term and the long-term effects of institutional choices are distinct, it becomes far less likely that institutions will be designed to achieve functional
outcomes over the long term. Long-term institutional consequences may be by-products of actions taken for short-term political reasons (Pierson 2004: 112).

Institutional and systemic consequences of the laisse-faire higher education policies in the 1990s and beyond, including the emergence and booming of the private sector based on its parasitic relations with the public sector (its academic staff, buildings, libraries etc.) are still holding public institutions in their grips. And current “critical juncture” period in higher education may evoke (short-term) political solutions which may hold public institutions in their tight grip for another decade. This is the reason for which current reform attempts need to be assessed especially critically, in view of past experiences. The private sector brought about the massification of higher education and opened the system to new social strata; at the same time, the accompanying long-term costs, especially for public universities, only emerge to be seen.

**Conclusions and further research**

The growth of the private sector in Poland cannot be easily assessed: different stakeholders hold different views. Those of academics may differ substantially from those of students, and may be still different from those of the employers and the state. One thing is certain, though: after two decades, the potential for demand-absorbing growth in both sectors in Poland has exhausted itself and the negative implications of demographics are becoming more important than ever before. Poland is the fastest aging society in European OECD countries (OECD 2008c), and the decline in enrollments in the next decade may hit hardest the private sector – fee-based rather than tax-based. It is too early to argue whether the growth was indeed setting a trend or was merely a passing phase of development (to refer to Peter Scott again) from a larger, European comparative perspective. There are too many variables in force right now, and the outcome of the processes of the reinstitutionalization of traditional academic norms and behaviors is unclear: as mentioned, demographics is predictable but politics (as a major force defining educational policy) is not. Further research would include assessment of research capacities of public universities and the scope of the impact of the past denigration of the research mission, the study of the “survival of the fittest”/institutional adaptation processes among private institutions negatively hit by demographic trends, and the study of the impact of a new wave of reforms, both referred to the region and incorporated into a wider picture of European integration of higher education.*

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