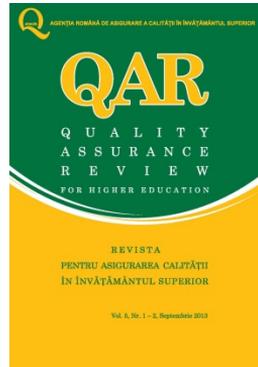




AGENȚIA ROMÂNĂ DE ASIGURARE A CALITĂȚII ÎN ÎNVĂȚĂMÂNTUL SUPERIOR
THE ROMANIAN AGENCY FOR QUALITY ASSURANCE IN HIGHER EDUCATION

Membră cu drepturi depline în Asociația Europeană pentru Asigurarea Calității în Învățământul Superior - ENQA
Înscrișă în Registrul European pentru Asigurarea Calității în Învățământul Superior - EQAR



Quality Assurance Review For Higher Education

**Governance of Higher Education: Funding Reforms in CEE countries.
Perspectives, Challenges and Trends**

Ioana Ciucanu

Quality Assurance Review for Higher Education, Vol. 5, Nr. 1-2, 2013, pp. 31-45

Publicat de: Consiliul Agenției Române de Asigurare a Calității în Învățământul Superior - ARACIS

Locul publicării: București, România

Tipul publicației: tipărit, online

ISSN: 2066 - 9119

Adresa: Bd. Schitu Măgureanu, nr. 1, Sector 1, București, cod poștal 050025

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Pagină electronică: <http://www.aracis.ro/en/publicatii/qar-magazine/numarul-curent/>

Revista Quality Assurance Review for Higher Education este editată din fondurile proprii ale ARACIS și asigură sustenabilitatea proiectului “Asigurarea calității în învățământul superior din România în context european. Dezvoltarea managementului calității academice la nivel de sistem și instituțional”, Contract POSDRU/2/1.2/S/1, cod proiect 3933.

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Governance of Higher Education: Funding Reforms in CEE Countries. Perspectives, Challenges and Trends¹

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Rezumat: *O serie de schimbări paradigmatică care au vizat rolurile pe care instituțiile de învățământ superior le exercită în contextul unei societăți bazate pe cunoaștere au avut loc în ultimele decenii atât pe plan mondial cât și pe plan european. Astfel, acestea au vizat de asemenea regândirea mecanismelor de finanțare a învățământului terțiar și a metodelor de alocare a banilor publici din perspectiva asigurării unui support financiar adecvat cohortelor tot mai extinse de studenți și staff academic prin intermediul unui sistem de alocare transparent. În virtutea acestui context complex de schimbări ale rolurilor și tiparelor de interacțiune care au adus cu sine actori organizaționali și instituționali din ce în ce mai variați și interdependenți, probleme legate de guvernanta acestui sector s-au ivit. În acest articol, un accent deosebit este pus pe reformele privind finanțarea învățământului superior derulate în țările Central și Est europene după căderea regimurilor comuniste în vederea sublinierii și analizării provocărilor și traiectoriilor urmate de sistemele de educație superioară.*

Cuvinte cheie: *învățământ superior, politica de finanțare, guvernanta, reformă, elaborarea politicilor publice.*

Abstract: *Changes of paradigm in terms of what universities are supposed to be and to offer in the larger context of a knowledge-based society has been undergoing in the past decades. Consequently, it also implied rethinking funding mechanisms and methods of allocation in light of ensuring a better support for larger cohorts of students and academic staff by rendering more transparency and accountability. Due to this complex context in which changes of roles, patterns of interactions, organizational and institutional actors became more diverse and even strongly intertwined than before, issues of governance of the higher education sector arouse across most of the European countries in the past three decades. In this article, particular emphasis is being given to funding reforms in CEE countries after the fall of communist regimes by revealing policy challenges and common trends, all this in the context of a poor literature on the subject at European level.*

Keywords: *higher education, funding, governance, reforms, policy-making.*

Introduction

Changes of paradigm in terms of what universities are supposed to be and to offer in the larger context of a knowledge-based society has been undergoing in the past decades. Consequently, it also implied rethinking funding mechanisms and methods of allocation in light of ensuring a better support for larger cohorts of students and academic staff by rendering more transparency and accountability. Due to this complex context in which changes of roles, patterns of interactions, organizational and institutional actors became more diverse and even strongly intertwined than before, issues of governance of the higher education sector arouse across most of the European countries in the past three decades.

¹ Some parts of this paper are included in a different article which has been accepted for publication in the forthcoming no of "The Annals of University of Oradea: International Relations and European Studies"

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In Western Europe, they came about in the context of larger reforms aiming at restructuring public sectors and public service delivery by shifting approaches from public administration to public management, thus focusing on efficiency and evaluation of performance as key assets. For example, the need to diversify university income streams stems from arguments related to easing state's financial burden in face of rapid increase in student enrolments, while issues of transparency and performance have been generated through diffusion of public management ideas pertaining to views like the New Public Management (NPM) (Bouckaert 2009, Pollitt and Bouckaert 2000, 2004, 2011). The spreading belief around NPM ideas in early 1970s was that governments had become "overloaded" and that Western welfare states had become unaffordable and ineffective (Pollitt and Bouckaert 2011, 6). This type of political discourse has gone hand in hand with a perceived drop of trust and legitimacy in public institutions as well (Bouckaert 2009, 94). As Weiler (2000) states, in Europe there is a widespread action in the direction of deregulating higher education, of performance-based models of resource allocation, of inter-institutional competition, of efficient management structures, and even of privatization.

This overall change in the general patterns of funding HE displays a number of specific facets like formula funding, mobilisation of external sources, making users pay by introduction of tuition fees, and attracting private stakeholders (Weiler 2000, 334-38). This state of affairs is supported by evidence from European countries which accounts for these policy trends in tertiary education financing, e.g. the OECD Thematic Review of Tertiary Education (2008) and the CHEPS (2008) study on funding reforms. Regarding the funding mechanisms, although countries are using a mix of approaches, it is clear that in 2008, incremental funding is being less applied compared to 1995 (CHEPS 2008, 126).

Reforms in higher education funding across CEE countries have followed a common trend, after the fall of communist regimes in early 1990s, towards introducing general criteria and indicators for computing the costs of education and research activities for each HEIs. While the first decade (1990-2000) was marked by structural changes regarding introducing and refining the formula, the last decade (2000-2012) dealt with issues of quality and performance evaluation of academic training and research by introducing different measurement tools, e.g. Romania, Slovakia or the Czech Republic. Diversification of funding sources can be seen as a common trend as well for the CEE region in the last period of time, emphasis being put on attracting private funds from business and research councils. All the more, is quite pertinent to argue that policy-making process in CEE countries has been accompanied by a double pressure concerning bringing in private sources of funding in the system, while dealing with a widespread support for free education (Berde and Ványolós 2008).

Discussing Governance

Theoretical work on governance reflects the interest of social science's community in a shifting pattern in styles of governing, thus being concerned with creating the conditions for ordered rule and collective action (Stoker 1998). Although, reviews of literature generally conclude that the term is used in a variety of ways and has a variety of meanings, there is a baseline agreement that governance refers to the development of governing styles where boundaries between and within public and private sectors have become blurred (Stoker 1998, 17). Its theoretical roots are various pointing at different approaches like institutional economics, international relations, organisational studies, political science, public administration, development studies and its precursors would include work on corporatism, policy communities and a range of economic analysis.

Thence, governance is being perceived as a highly contested concept that concerns the exercise of collective control towards common goals (Middlehurst and Teixeira 2012, 527-551). In this sense, the meanings attached to governance rest mainly on how different researchers view this process. For example, Kjaer (2004) distinguishes between governance in public administration and public policy, governance in international relations, European Union governance, governance

in comparative politics, or good governance, while Rhodes (2007, 1243-1264) resumes the term only to public administration and public policy by reference to governance as governing with and through networks.

Additionally, Mayntz (1998) suggests that there are three meanings attached to the concept of governance. For one thing, governance is now often used to indicate a new mode of governing that is distinct from the hierarchical control model, a more cooperative mode where state and non-state actors participate in mixed public and private networks. The second "new" meaning of the term governance is much more general and it highlights different modes of coordinating individual actions, or basic forms of social order. Furthermore, she offers a concise summary of the developments in governance theory that have successively led to the emergence of a model of multi-level, multi-actor governance as the most adequate theoretical answer to the changed empirically reality of policy-making.

After World War II, policy research focus has concentrated on a planning model that would envisage the clear separation of policy development by government and policy implementation by public agencies (Witte 2006, 25). Consequently, the concept of public governance can be broken down into five distinct strands such as socio-political governance, concerned with the institutional relationships within society (Kooiman 2005, 11-25).

As above stated, governance and policy are two interrelated concepts which both refer to how society is being governed and by whom, thus implying issues of formulation and implementation as key elements of any policy-making process. All the more, transformation of governance functions has been complementary accompanied by reforms of public administration and policy-making processes (Crăciun 2008). Within the policy-making process, public management reforms have generally aimed at reconsidering and even eliminating hierarchical approaches addressing formulation and implementation of public policy and replacing it with a more deliberative-oriented view which seeks to enlarge the common poll of actors involved in the policy process such as public and private organizations, citizens, civil society or the business sector (Crăciun 2008, 51).

Policy Governance in HE

Nevertheless, governance in higher education has different meanings and applications both broad and narrow in scope (Middlehurst 2004, Middlehurst and Teixeira 2012). Notwithstanding, governance in higher education is most often defined as the structure and process for college and university decision-making at the institutional, system wide, or state level (Rosser 2002, 279-284).

In this respect, Gallagher (2001) states that governance in higher education can be seen as a structure of relationships that brings about organizational coherence, authorise policies, plans and decisions, and account for their probity, responsiveness and cost-effectiveness. In this sense, descriptions and analyses of governance arrangements in higher education refer both to institutional and system levels by distinguishing between internal and external governance. Then, while internal governance refers to the institutional arrangements within universities, external governance regards these arrangements at system level by addressing issues pertaining to laws and decrees, funding and evaluation (De Boer and File 2009, 1-25). Therefore, external perspective on governance highlights the degree of supervision by the government and public authorities, as well as views containing the public mission of higher education such as the advancement of knowledge, training of qualified labour, social equity, or its exogenous benefits on society as a whole (Rosser 2002). Nevertheless, it also suggests the changing role of the state in governing the higher education sector, with state power being dissipated and distributed at different policy levels, thus involving more actors within the policy making processes (De Boer and File 2009, 11). Though, current governance structures of European higher education systems vary with respect to the degree to which national governments can steer HE in a top-down way or take into account various stakeholders, in general they are most adequately characterized as systems of multi-level and multi-actor governance (Witte 2006, 28).

Moreover, a distinction is being made between policy styles (Van Waarden cit. in Witte 2006) such as liberalism-pluralism (England), etatism (France), corporatism (Germany, Netherlands). Yet most researchers (Becher and Kogan 1980, Witte 2006) maintain the view that higher education sector is characterized by a network-like governance structure regardless of the styles employed. As argued by different scholars, in the case of HE “we are not dealing with a hierarchical system, where change can be decreed from above, but rather with a negotiable one in which individuals, basic units and institutions regard themselves as having the right to decide what is best for them” (Witte 2006, 28).

Furthermore, others who focus on the implementation stage of the policy process argue that “the special problems posed by HE reform implementation are set primarily by the autonomous actors present, and by the diffusion of authority throughout the structure, thus policy implementation becoming a study of interactions between different actors (Witte 2006). In this light, the external dimension of governance comprising relationships between government, buffer organizations and HEIs becomes useful within my current analysis of funding reforms in CEE countries by offering a framework for discussing issues regarding formulation and implementation of financing policies in different national contexts and whether a network-like governance model of policy making can be depicted here as well.

Governance Reforms in CEE Countries

Post-communist transition countries are confronting challenges, mostly related to issues like globalization and Europeanization, expansion, market forces, financial austerity public sector reforms, accountability pressures and new quality assessment mechanisms (Kwiek 2008, 89-110). Nevertheless, these pressures for transformation of higher education seems inevitable worldwide and are global in nature, as much as in the OECD countries, including CEE countries, as in the developing countries (Kwiek 2001, 27-38). Yet, the CEE country group is confronting a combination of challenges specific to former communist countries which are brought about by an unprecedented passage from elite to mass education, with gross enrolment ration exceeding 50% in almost all these countries (2008: 91). For example, in Hungary, from 1989 until 2005, student numbers increased four times, mainly in the public sector, while the proportion of private enrolment compared to the total enrolment reached 13% in 1998-1999 and has remained relatively stable (Berde and Ványolós 2008).

In 2001, 59% of all students were enrolled as full-time students, 3% as part-time students, and 37% as correspondence students (Csepes et al. 2003, 66). The same occurred in Romania at the beginning of 1990s, when number of students increased 2.5 times between 1990 and 1999, and number of HE institutions increased from 42 in the 1970s, up to 111 in 1999 due to the establishment of state universities in non-traditional towns after 1990 and of a large number of private HEIs (Nicolescu 2002, 92).

The system also faced an explosion of private HEIs, 67 in the 2003/2004 academic year, with a 23% share in the total number of students (Dumitrache et al. 2006). Within an overview analysis on HE reforms in CEE countries, three stages can be depicted and described beginning with the 1990's. On the one hand, the first stage followed two imperatives, one driven by the desire to disengage the academic system from the tight association with, and subordination to, the economic system that has prevailed during the communist regime, and second was based on ideological convictions to liberalize structures as part of a wider liberalization of political structures undergoing at the beginning of 1990s (Scott 2002, 144). On the other hand, the second stage, from mid 1990s until 2000s, came about as an attempt to remedy the unintended side-effects of former reforms through shifting the policy discourse of reform agenda from political-cultural issues to more “pragmatic” views on the role of higher education training in meeting new socio-economic demands (ibid: 146).

All the more, in his discussion on educational reform in CEE region undertaken after the fall of communist regimes, Bîrzea (1996, 98) takes into consideration what he prefers to call “transition dilemmas” encountered in all CEE countries: continuity/breaking down, and stability/change. In this context, continuity related to reforms after 1989 suggests reform programmes begun by one

government or political party were abandoned or redirected to another, thus being characterized by “reforms of reforms”, namely reforms conceived to correct previous ones.

Regarding the second dilemma, great variety of solutions can be found across CEE countries depending on political views. Therefore, views of “shock therapy” were chosen in Poland and the Czech Republic, implying rapid changes. On the other hand, in countries characterized by change-controlled policy and social protection priority like Slovakia, Romania, Lithuania, Bulgaria, the change process was slower (Bîrzea 1996). An exception is Hungary, where the term reform is very rarely used, preference being given to a softer perspective including notions like modernisation, restructuring, transformation aiming at “continuity” and “renewal” (Birzea 1996, Csepes et al. 2003, Tamás 2013, Temesi 2013). Concerning the paths taken to reform the Slovak higher education system, the term “innovation” is commonly used across research analyses on policy developments, hence outlining the rupture from the old system which has started at the end of 1990s (Beblavý et al. 2010).

In analysing Romanian paths towards reforming its HE system, several stages were identified between 1990 and 1995 (Bîrzea 1996, 100-106). The first stage reveals elements of „de-structuring” which implied denying the old system and its ideological foundations. For HE, this was translated into ensuring institutional autonomy for state universities. The second phase (1991-1992) aimed at strengthening previous decisions and set the educational system on a firm foundation, thus introducing the three cycles HE system: college education (2-3 years, short-term), university (4-6 years, long-term), postgraduate education (1-2 years).

Restructuring came as a third stage (1993-1995) when reform objectives were crystallized as to develop a coherent education policy, restructuring the education system to meet the new economic, social and political requirements. These general objectives were followed by setting new priorities within the HE reform process, such as decentralising institutional management, reforming curricula, modernising and diversifying financing through the Higher Education Sector Reform Program adopted in late 1994 (Dumitrache et al. 2006).

In this sense, the main difficulty identified as a common trend within the CEE region relates to levels of funding which are being kept at low levels. Even though lack of funding for higher education is a widespread problem in most European countries, it is more aggravating in the post-socialist countries due to multiple pressures on the system, such as explosion in enrolments and focus on balanced national budgets (Berde and Ványolós 2008, 304).

Funding Reforms across CEE Countries: Evidence from Romania, Hungary and Slovakia

In the light of the rapid expansion of higher education after the fall of communism, CEE countries found themselves in front of a deeply under-funded system furthermore accompanied by financial austerity, along with the emergence of market mechanisms in the public sector, and the arrival of private providers (Kwiek 2008, 92-100) during the first decade of reforms. Policy solutions adopted by national governments pursued in the second decade (2000-2013) have aimed at rethinking funding models in terms of assessing the real costs of education training, thereby ensuring a more transparent system of public allocation. Altogether, reforms of funding systems are not country or region specific, for they began in the 1980s in most Western European countries as part of a broader process of reforming the public sector with core emphasis on public service delivery.

Funding reform processes have been thus interpreted as an attempt on the part of the states to more systematically use financial incentives and performance indicators to control organisational behaviour and to improve public sector efficiency and quality (Frølich et al. 2010, 7-21). The objectives set to recalibrate higher education finance systems entailed diversifying university income streams, creating and enforcing transparent allocation mechanisms through replacing the old incremental method with formula-driven funding, and nonetheless, relating funding to issues of quality and performance in both training and research.

Across CEE countries, these debates on the ways in which higher education can make its contribution to the socio-economic development have become much more prominent in the light of accession and integration in the European Community. Even though EC's directives and recommendations concerning European tertiary education did not legally bounded member states to proceed in a certain manner, their adoption entailed a certain degree of compliance on behalf of national systems.

Hereby, the questions I pose here rather relate to the funding dimension of higher education. Accordingly, I argue, that while the first decade (1990-1999) of funding reforms in CEE countries has been characterized by systemic restructuring, including shifting model from incremental (historical) allocation to formula-based, the last period of time has focused on relating funding to quality/performance. Nevertheless, the creation of this link meant the development of quality/performance indicators, which would take into account both inputs and outputs/outcomes of training and research activities and then translated into the formula.

On the other hand, the policy-making process in CEE countries has been accompanied by a double pressure concerning bringing in private sources of funding in the system, while dealing with a widespread support for free education (Berde and Ványolós 2008, 297-298).

Funding Policy Reforms in Hungary

These types of pressure were more prominent in the Hungarian higher education landscape where several public debates around the introduction of tuition fees emerged ever since the 1990s. Tuition was introduced in 1995, and although the fees charged to Hungarian students studying in public HEIs were symbolic, 2000 HUF/month (Semjén 2013), it was abolished in 1998. Afterwards, another attempt was made in this direction on behalf of the government, but a public referendum in 2008 cancelled its implementation. Whereas in Slovakia all three attempts to introduce tuition fees failed, in Romania this issue confronted no public opposition.

The most important change within the higher education funding system since 2000's consisted of the introduction of formula financing model which became more and more complex along the years by adding new factors (Polónyi 2012, 199-254). The 2005 Higher Education Act didn't bring new features into the financing system, funding being essentially determined by the same elements as those applied in the previous academic year (2004/05) such as training, academic purpose, maintenance, grants for specific tasks (including student support) (Polónyi 2012, p. 235).

Table 1. State financial allocations 2000-2010 (thousand HUF)

Academic year	State supported training		Study grant		Social assistance		Dormitory residence	
	Amount	%	Amount	%	Amount	%	Amount	%
2000/01	162 296	92.40	88 908	50.62	65 603	37.35	48 165	26.19
2001/02	165 307	89.64	90 516	49.08	50 157	27.20	47 957	24.85
2002/03	170 419	87.50	85 400	43.85	46 120	23.68	48 638	23.91
2003/04	178 215	86.13	81 496	39.38	42 321	20.45	51 034	23.59
2004/05	181 170	84.04	91 900	42.63	47 204	21.90	49 734	22.05
2005/06	185 350	84.06	87 737	39.79	44 103	20.00	49 036	21.18
2006/07	187 675	82.66	84 553	37.24	43 781	19.28	49 584	20.77
2007/08	185 096	80.24	67 732	29.36	50 106	21.72	47 695	19.64
2008/09	184 243	80.37	64 769	28.25	50 407	21.99	47 593	19.59
2009/10	183 458	80.58	60 360	26.51	45 873	20.15	45 968	18.94

Source: Hungarian Statistical Office 2012

In the last three years, policy issues regarding financing the higher education sector have gained greater attention on the public agenda in Hungary, mainly due to fiscal and budgetary pressures forged by international economic and financial crisis - “these days, I would say that financing higher education sector is the topic number one in Hungary for two main reasons: one is the budget policy, the fiscal goal of the government to keep the budget deficit low, and the second is the general reduction of public spending which is extremely harsh in the sector” (Halász 2013).

One other novelty was brought in 2011 by the Government’s policy proposal on decreasing the number of state-funded places from 60.000 to 25-35.000 places within three years and keeping the state-funded places for specific study fields like sciences, natural sciences while fields pertaining to business, economics, law or social sciences and humanities were left to be supported from student fees (Derényi 2013, Temesi 2013). Due to street student union demonstrations, the proposal regarding the decrease of funded places has been withdrawn while maintaining the idea of financing only the fields of science and natural sciences in the forthcoming period (Temesi 2013).

Funding Policy Reforms in Romania

The reforms in financing in Romania began their implementation at the end of the first post-communist decade (1998-1999) by developing a new funding philosophy, coherently integrated into the wider process of systemic reform, and primarily based on the premise that the state allocates funds not for the unfolding of the educational process, but for its results. Therefore, formula has been introduced as methodology for allocating funds to each public university, starting from the fundamental principle that “resources follow the students”. During its three development stages, the funding mechanism has been periodically monitored, analysed and refined by including funding group parameters such as equivalence coefficients and cost indexes, information about teaching staff, and qualitative indicators (Dumitrache et al. 2006, 118-119).

Starting with 2002 (during the second stage), the formula has been refined in terms of adding quality criteria into the funding scheme, and it initially accounted for information about teaching staff, with the aggregate indicator being calculated for adjusting the number of unitary equivalent students from each university. In the subsequent years (2003-2011), quality indicators became more diverse, complex and influential within the formula by covering wider range of aspects pertaining to both education and training processes and institutional performance as it follows: human resources (accounting for 8.5% of the total basic funding), research (9%), facilities (3.5%) and institutional management (9%).

In the first years after adopting quality funding criteria, quality indicators accounted for 10% of the core financing of public universities and progressively increasing to 30% in the past five years, as documented in the following table.

Table 2. Quality indicators’ influence evolution on basic funding (BF) (thousand RON)

Year	Allocations for basic funding	% of total funding	QI based allocation	% of total funding
2005	844,970,033	87.3	122,922,330	12.7
2006	927,238,248	80.0	231,809,562	20.0
2007	1,241,100,000	75.0	413,700,000	25.0
2008	1,342,663,350	70.0	575,427,150	30.0
2009	1,361,178,000	70.0	583,362,000	30.0
2010	1,332,459,379	70.0	571,054,019	30.0
2011	1,196,727,700	70.0	512,883,300	30.0

Source: CNFIS 2012

In 2012, a fourth stage can be identified which aimed at using the results of the HE national ranking exercise in redesigning the funding mechanism. The new Education Act 1/2011 introduced different categories of funds into a new methodology by making a clear distinction between basic, complementary and supplementary (additional) funds. The indexes take into account the results of the 2011 study programmes' ranking exercise and they bear different coefficients relative to the position held by each programme in the hierarchy as shown in the table below.

Table 3. Value of excellence indexes according to study programmes' ranking and level of study

Level of study	Study programme hierarchy				
	A	B	C	D	E
Bachelor	3	2	1	0	0
Master	4	1	0	0	0
PhD	5	1	0	0	0

Source: CNFIS 2012

Funding Policy Reforms in Slovakia

In Slovakia, changes in funding mechanisms began to be operated in the early 2000s when government decided to shift to a mixture of input and output-based budgeting through applying a formula that takes into account different input and output indicators like number of students weighted by standardised cost coefficients for individual areas of study, number of graduates, of PhD students and graduates, numbers related to teaching staff, research publications, volume of research grants from domestic and foreign sources (Beblavý et al. 2010, 160-183). However, an overview on funding reforms in the second decade displays several common policy trends, all which are market oriented: shifting models from historical to formula-driven allocations, distribution of public funds in form of block grants, adding performance criteria² to the formulae, increasing focus on research and innovation activities, introduction of tuition fees, student loans, and maximization of social return of public investment.

Table 4: Funding of the public HEIs from the state budget in 2000 and 2011 in €.

Item/Year	2000	2011
Total subsidies for HEIs from state budget	170 mil	425 mil
Subsidies for public HEIs as % of GDP	0.54	0.61
Number of full-time students in public HEIs	88.192	125.501
Increase in number of full-time students in %		42.3
Increase of total subsidies in current prices in %		150.6
Average subsidy per full-time student in current prices	1923	3386
Increase of total subsidies in prices of 2000 in %		60.4
Average subsidy per full-time student in 2000 prices	1923	2168

Source: Mederly 2012

² Quality and performance are used interchangeably due to the fact that in the Romanian funding system they are called quality indicators, while in Hungary and Slovakia is performance. All things being equal, both concepts relate to the same idea of performance (the emphasis is rather on research than on education).

In reforming financial systems for Slovak higher education, several priorities have been formulated and which referred to general issues such as broadening access in higher education by enabling universities to increase the student body, support of quality in education, research and development, support of PhD study, enabling multisource funding and increasing public subsidies (Mederly 2006, 8-9). According to the new funding mechanism, the criteria used in allocating public subsidies is divided in: allocation based on historical principles, on education performance in which student numbers play a decisive role, on research performance and project quality. However, the lack of quality in higher education, together with poor designed methodologies for measuring it, has been regarded as a highly prevailing issue on national higher education agenda within the last ten years.

In analysing the impact of funding mechanism employed since 2002, findings contain that the introduction of the new funding system has had significant impact on institutional behaviour, thus making universities become more active within the competitive process of allocation and motivate them to enlarge their educational and research capacities. Furthermore, it enabled the establishment of both a transparent economic management based on clear rules for subsidy allocation of state funds and cost analysis system for calculating the real costs of higher education training (Mederly 2006, 18).

Concluding Remarks

The past few decades the field of higher education has been marked by multiple changes which resided in reshaping and redefining the roles of universities towards the state, and the society, in the first phase, as well as towards economy and different stakeholders, in the second stage. Building on this complex picture, the paper aimed at describing the main challenges posed by redesigning new mechanisms for funding higher education in CEE countries as a particular case of governance.

Therefore, reforms of HE in CEE countries have usually targeted core dimensions like increasing financial autonomy of universities in spending public allocations, increasing performance and efficiency of public expenditures, rendering quality control of all range of universities' activities (including education and training, scientific research, staff), as well as enhancing diversification of funding sources through introducing student loan schemes along with tuition fees. The driving forces behind these reforms have been similar pertaining mostly to the international and supranational pressures on national states through different development programmes such as the ones developed and funded by the World Bank (Romania, Hungary and Slovakia), or European Commission's strategies, directives and projects (Romania and Slovakia). In this sense, the reform component of the governance arena displays an increasing diversification of actors present in an active manner in national policy arenas, and hereby I refer to Ministry of Education (in Slovakia), HEIs, as well as buffer institutions like Funding Council in Romania, Rectors' Conference and the Chamber of Commerce (in Hungary), become strategically important when it comes to bargaining powers to influence the policy arena.

Concerning stages of the policy-making process, the predominant policy issues regarding implementation of funding reforms in these three countries point out the lack of an evidence-policy making model for designing and evaluating policy outcomes and impact which would help policy makers take more informed decisions *ex ante*. Nevertheless, this type of model would entail a bottom-up approach to HE policy governance that takes into account a variety of actors, as this represents a constant critique to top-down views which can't be used in situations where there is no dominant policy or agency, but rather a multitude of governmental directives and actors, none of them pre-eminent (Sabatier 2005, 22).

Furthermore, political instability due to frequent change of government is considered to be the most important variable within the policy making process by altering the possibility to observe policy outcomes and to measure their impact both at system and institutional level. The arguments behind this assertion rest on views that the governance of higher education is a complex matter due mostly to the nature of the higher education sector itself, for example, the multitude of actors involved,

but also economic, social and cultural roles encompassed by HEIs as sites of knowledge and research production and dissemination, workforce training and academic innovation.

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***Interviews with higher education policy experts from CEE countries:
Romania, Hungary and Slovakia***

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