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FINANCING THE PRIVATE HIGHER EDUCATION SECTOR: THE EXPERIENCE OF EASTERN EUROPEAN COUNTRIES

A study of the peculiarities of the universities financing in some countries of Eastern and Central Europe, namely Poland, the Czech Republic, Lithuania, Latvia and Estonia, has shown that funding of private higher education institutions (hereinafter – HEIs) is carried out from the funds of their founders as well as from other sources authorized by the legislation. However, there are some financial instruments of public support for private universities and students, where they study.

Private universities are mostly fee-based, and the cost of tuition depends on the chosen curriculum, specialty, educational institution, etc. Private universities, particularly in the Czech Republic and Poland, are founded by foreign companies and offer to teach in English.

In recent years, there has been a process of modernization and improvement of the legislative framework, namely the introduction of a diversified funding model for higher education, both for public and private universities. Such transformations are aimed primarily at improving the quality of educational services through competition, which in turn will encourage universities to develop and strengthen research through the allocation of financial resources (grants) from the state budget.

Among public financing mechanisms for private HEIs, subsidies are the most common. For example:

- Since 2019, Poland's private universities have been entitled to receive a subsidy for the support and development of research activities, where the algorithm of allocation of the subsidy takes into account such two criteria – PhD training and results of research activities [1].

- In the Czech Republic, private universities may receive a state subsidy to cover social grants in the amount prescribed by law. Therefore, grants to private HEIs for scholarships are granted on the same terms as the state HEIs [2]. It should be noted that subsidies for research and development in private universities are provided according to special directives for governing support for research and development in the Czech Republic (until 2017, private universities could receive a state grant to support the development of accredited curricula and lifelong learning programs, together with relevant scientific and research programs, and other innovative activities, however, as of 1 January 2018, this provision was removed from the Law on Higher Education).

- In Latvia, there is a system of private university financing, based on its results of activities as well. Private HEIs may sign agreements with the Ministry of Education and Science of Latvia, other ministries or state institutions on the training of certain specialists and thus receive funding from the state budget. Latvian students are provided with financial support in the form of scholarships, grants and loans, taking into account not only their academic performance but also social security [3]. Also, students are eligible for government credits if they study at universities that offer accredited higher education programs. There are two types of student loans in Latvia – to cover tuition fees (education loan) and living expenses (student loan).

- Lithuania's private universities have the right to receive basic funding from the state budget for scientific research through national competitive programs. It should be noted that the Regulation on the allocation of public budget funds for Lithuanian private universities since 2012, has been indicated that, if certain factors prevent certain professionals from receiving

training at state universities, budgetary resources may be allocated for their studies at private universities or affiliated international universities, based in Lithuania. If the cost of tuition at a private university exceeds the standard tuition fee established by the state, the student is obliged to cover this difference. In addition, Lithuanian students once enrolled in private universities, have the right to receive a state loan to cover tuition fees [4].

- In Estonia, private HEIs and students who study there can receive funding from the state budget on the same basis as state universities [5]. Thus, private universities can apply for support for their activities, and if the needs for this support are considered to be public, they can obtain funds from the state budget under Estonian law.

Universities in the above-mentioned countries are characterized by a high level of financial autonomy compared to other European countries. In particular, their autonomy covers financial and resource management, personnel policy, etc. That is based on the principle of self-government and academic freedom. However, private universities enjoy far greater autonomy than public universities, including in the development and use of funds.

During the university entrance campaign, all applicants, regardless of their form of ownership, are required to pay a registration fee related to the admission procedure and are paid in a lump sum.

In general, private universities in the above-mentioned countries are characterized by a high level of financial autonomy and have no direct budgetary funding.

In comparison with the countries studied, Poland pays great attention to the development of inclusive education, namely, allocating appropriate public funding for activities related to ensuring appropriate conditions for the full participation of persons with special educational needs in the educational, scientific and research process. Not only public HEIs but also private HEIs receive the necessary funding for inclusive education on equal terms.

References

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