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Higher Education Finance Reform in the Czech Republic: Transitions in Thought and Practice

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Abstract

Throughout Europe and especially the former communist countries of Central and Eastern Europe, universities and governments are evaluating ways to finance higher education other than the current dominant model of almost total government support. With government pressure to use limited funds in other areas (e.g., health care, environment, and the like) higher education institutions are being encouraged to become more economically self-sufficient. Some of these reforms have included establishing closer ties with regional businesses and introducing tuition and user fees to offset some of the costs of university operations. The particular focus of this report is on the new methods of financing higher education in the Czech Republic.

Introduction

In addition to the economic and political changes that began in 1989, Czechoslovakia peacefully separated in 1993 into the Czech and Slovak Republics. Their higher education system and society in general had to adapt to the initial political and economic transition in 1989 and then yet another transition in 1993 when it split into two countries. For this report, the term Czechoslovakia will sometimes be used in describing and analyzing the country for historical events prior to 1993, after it will be

referred to as the Czech Republic.

Background: Higher education during the communist regime

When World War II ended, the Soviet higher education model was imposed as the dominant model for Central and Eastern Europe. The Soviet model (communism) of political and economic development had some distinctly negative effects: The central economic planning model was inefficient and inflexible and was unable to adapt to changes in the world economy; the bureaucratic control of human rights and freedoms; the presence of internal security forces and the use of informants; the constant attempts to suppress dissident thinking and activity; the use of groups and organizations in service to the state (e.g., universities and mass media); and the use of Marxism/Leninism as a justification for all actions (Mauch & Fogel, 1992). The negative features of communism that affected both government and the economy also affected higher education. For example, government - run science academies did most of the research. The academies and universities were under strict government (Communist Party) control. Communist officials were afraid of politically unreliable faculty members who might influence students and often these faculty would work at the academies where they would not have contact with students (Kallen, 1991, Koucky, 1990).

The government rigidly centralized and politicized higher education in terms of access, curriculum, staffing, resource allocation and planning. Each successive five - year plan was designed to provide the planned state economy with personnel to meet the needs of the state. State planning limited the university's role in intellectual development and left little room for the inclusion of new scientific developments. It reduced universities to manpower training institutions and even this was not successful as realistic data were lacking on the national needs for skilled manpower. In time, the fulfillment of the five - year plans for higher education and individual institutions became goals in and of themselves and such plans were fulfilled whether or not they were appropriate. Thus, each successive five - year plan discouraged any assumption of responsibility on the part of university personnel. Also, higher education deteriorated as a result of political interference which often led to massive dismissal of many of the most competent staff (Kallen, 1991).

Despite the many negative features, the legacy of communism has had some positive effects: The state offered free public education from early childhood through the university level; eradicated widespread illiteracy; the educational level of the adult population in much of the region was raised to a level comparable to that of Western Europe; educators had designed innovative approaches to adult training; and there was a substantial increase in female participation in education. In addition to these positive features, the educational infrastructure (buildings, some equipment, etc.) was adequately developed and, as a result, future reforms can proceed with more of a focus on the content of the system (Kallen, 1991, Von Kopp, 1992).

The following is a basic description of the functions of higher education under communism. The functions listed were the ideology and not necessarily what was put into practice. *Five functions of higher education under communism*

1. Socio-political, economic, and cultural needs are filled.
2. Knowledge is created in association with individual and social consciousness--Attitudes, views, ideas, values, and aspirations.
3. Individual needs and experiences of academic staff members are developed and valued.
- 4) The training is used for modern and humanistic educational concerns

(Holmberg & Wojtowicz, 1990, p. 10).

The communist system's goals and objectives for higher education were dictated by government officials concerned with creating the "communist man," someone for whom the good of the collective was more important than individual achievements. The Socialist Countries Conference for Ministers of Higher Education held in Prague in 1986, provided examples of how socialist education was directed by the ideology of the Party. The conference concluded by demanding that new strategic guidelines should be aimed at the full utilization of a new social system requiring good professional training and political and ideological maturity; code words for conformity to Party goals (Fischer-Galati, 1990). The principles, ideals, and functions of the higher education system were organized and controlled by the federal government and or the Communist Party officials.

Communism in Czechoslovakia

The Communist Party spent 40 years trying to remold Czechoslovak higher education into the image of the Soviet Union's system and the principles of international communism. The Party not only controlled all levels of higher education it also used institutions as instruments for controlling and educating students' minds to create the "communist man." National committees, which reported to the Ministry of the Interior, administered the system. All senior appointments in the Ministry of Education and in the National Committees were to Party members. The authority of the Ministry was minimal and confined to the administration of grants to universities and to the production of curricula and related textbooks. Membership in the Party was an important criterion for the highest academic posts. How closely an institution conformed to the planned system was the paramount means for evaluating the effectiveness of each institution no matter its output (Koucky, 1990, Kotasek, 1991, Yazdgerdi, 1990).

Summary of higher education under the communist system in Czechoslovakia

- The aims, tasks and resources in teaching and research were defined by the Communist Party and implemented by the state.
- Planning was comprehensive and an instrument of political control. Higher education institutions were accountable to the Communist Party and there was very limited institutional autonomy.
- There was almost no strategic planning at the institutional or sub-unit levels.
- The incentive system was based on the achievement of goals set by the Party.
- Higher education institutions were totally dependent on the state for financing and followed a rigid line-item budgeting process.
- The state set manpower planning with projections in the labor market.

(Holmberg and Wojtowicz, 1990; Bok, 1991; Cerych, 1993; Daniel, 1991; Mitter, 1990; Rupnik, 1992).

Changes in University Financing in Czechoslovakia

After an initial surge in student enrollments after WWII, growth in higher education slowed in the 1960s and the system of state funding reflected this trend. The financial decision-making process in higher education institutions started to change in

the following ways:

1. The influence of technocrats on labor distribution planning in the national economy was growing, which meant their influence on the number of students admitted to each higher education institution was growing as well.
2. The participation of academics in the management of the higher education system was increasing.
3. The influence of political leadership was being replaced by the influence of technocrats.

During this transition period following the 1960s, the funding for higher education institutions took the form of incremental budgeting. For example, in a given year higher education institutions received the same funding as in the previous year plus a certain bonus based on their demands and the means available. The amount was based on constant negotiations between the state administration and the individual institutions of higher education. The increments depended to a large extent on each higher education officials' ability to negotiate an increase in financing (Holda, Cermakova, & Urbanek, 1994).

Problems in the methods used for funding higher education focused on the following areas:

- **Ineffectiveness:** The traditional scheme of budgetary base plus increment meant that institutions were expected to spend all of the entire current year's budget, thus preparing the highest possible budget for the following year. This often meant a waste of resources since they would have been more efficiently used if they were allowed to be transferred to the next year. The negotiations on increments often took the form of political and personal arguments, rather than educational needs and concerns. In sum, the system did not reward superior performance.
- **Lack of Transparency:** Although the final budget of an institution was very strict and closely monitored, there were essentially no general rules for the funding of higher education institutions. Financial allocation was the result of a great number of private and opaque negotiations. Because of unclear rules, there were many subjective decisions.
- **Lack of flexibility:** As the budget was based on the previous years allotment, it could not respond to developments both inside and outside the institution (e.g., labor market, changing needs of the economy, etc.). Most important, the budget was not based on the number of students enrolled and thus did not reflect changes in these totals. (Heyneman, 1994, Holda, et al., 1994).

The transition to democracy and a market economy in Czechoslovakia (beginning in 1989) has had a pronounced influence on higher education. These changes have shown a movement away from political control of institutions and a change of thought as to the methods used to fund higher education operations (at least in the Czech Republic).

Higher Education in Transition

The sluggish economy and the growing frustration with the inefficient system eventually led to pressure for radical changes in university operations. Pressure to reform

higher education came from academics, students and social groups. This pressure built up throughout the 1980s and came to a breaking point in 1989. Shortly after the student demonstrations of November 1989, which helped to focus and mobilize opposition to the old regime, individual groups of educators, students and members of the intelligentsia began to meet and discuss how the education and research system could be democratized and modernized. These meetings eventually culminated in the passage of the University Act of May 1990 which replaced the Higher Education Act of 1980 (Daniel, 1991).

The Czechoslovak Higher Education Act of 1990

The Higher Education Act of 1990 set out a democratic structure for the guidance of higher education and allowed academic freedom in many areas. State control and administration had been minimized and the authority of academic bodies increased. Unlike the previous system of decision making, academic institutions have the power to discuss and create policy. The Act revived the academic senate, which was abolished under the communist system, as an important governing body within universities. The revived senates (representing faculty, students and staff) were provided a large measure of control over their curriculum choices, hiring practices and research goals.

Under the 1990 Act, universities had the freedom to make their own economic decisions. For example, in 1991 higher education institutions received financial allocations from the state, as in previous years, by the system of 'basis and increment'. The difference was that the money was not earmarked for a specific function. In assigning funds, the Ministry of Education, advised by the university councils, assign funds to universities according to estimated annual capital and other expenditures. It became the responsibility of the individual universities (e.g., rectors, academic and faculty senates) to decide the specific distribution of these funds (Daniel, 1991). The only limits were the total amount of wages and general operating funds (e.g., buildings, etc.). In addition to these fiscal freedoms, the state allocated money to institutions without specifying how many students they should educate (Holda, et al., 1994).

The importance of the law on colleges and universities passed on May 4, 1990 can not be overstated. It put substantial decision making power back into the hands of the university and its faculty and students. The law emphasized academic rights and freedoms as important principles of democracy and envisioned democracy in terms of self government and autonomous decision making within the higher education community. Through the 1990 Act and subsequent legislation, the post communist model of higher education is being developed.

Summary of the developing post-communist model in the Czech Republic

- Increasing importance of academic freedom, competition for students and funding and representation of academics in decision making bodies.
- Less direct central state control.
- Institutions accountable to constituencies such as students, government, business etc. and autonomy and academic freedom are determined by this accountability.
- Need to find multiple sources of financing and budgeting.
- Limited line-item budgeting process with a move to a formula method based upon the number of students enrolled.

- Higher education's relation to the labor market is significant, but often indirect, primarily the result of meeting market demands not dictated directly by the government, but by the market.
- Strategic planning by governing bodies within institutions seen as essential for the development of the institution.

University financing after 1989

Budget Allocations. In 1990, higher education consumed 17% of the total education budget. This is 1.7% of total education expenditures and .8% of the country's GDP. Of this amount, 40% were costs attributable to personnel, 30% to goods and facilities, 11% to research and 19% for students welfare and fellowships (Harbison, 1991a, 1991b). In 1991, budget resources were allocated as in the past (incremental) but government officials in the Czech Republic insisted that 10% of the overall higher education budget was to be distributed according to a new method of financial allocation. This new method was based on the number of students and a cost per student comparison across disciplines (a formula method). In 1992, universities implemented the new method. The budget was divided into three parts: Normative (the general costs of operating the institution such salaries, building costs, etc.); above normative (additional costs such as research, new projects etc.); and reserves. Thus, for the first time, the major part of the budget (normative) was to be allocated on a formula based on the number of students times the average costs of educating each student depending on their discipline (Mauch & Fogel, 1993). This was implemented, in part, to address the significant differences in the per student annual costs which range from a low of 16,000 Kcs per student of Economics to 79,000 Kcs for students in the Fine Arts. This difference in cost is because there is a higher teacher/student ratio in Economics (30/1) and a very low and not cost efficient ratio in fields such as the Arts (8/1) (Mokosin, 1995).

In 1992, the formula as applied yielded a great variation in the budgets of individual institutions. Some were cut in the extreme and others increased in comparison to 1991. The government decided to add a supplement to the funding provided by the state so that no institution would suffer too great a difference in one year. For example, in 1992 the University of South Bohemia had a total of 2,196 students in various disciplines. The normative amount determined by the Ministry in 1992 was 16,921 Kcs. This was roughly the average instructional cost per student in higher education. Multiplying that times 3,352 (an adjusted figure, only in part including the number of students) gave the university 56,722,000 Kcs as a 1992 budget, a 22.2% cut in the normative budget from the year before (see Table 1).

Table 1
Application Of The 1992 Budget For The University of South Bohemia
(In 1992, There Were Nine Study Fields)

	SocSci	Educ	Tech	Agr	Med	NatSci	Chem	Vet	Arts	Total
Univ. of South Bohemia	83	1,257		747	67	42				2,196

Ratios by Faculty	1.00	1.25	1.65	1.90	2.55	2.55	2.55	3.00	3.50	
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University of South Bohemia Operational Expenditures for 1992 (thousands of Kcs.)

Normative					Above Normative				
'91 Budget	Application of Ratios	Applic.%	Adjust.%	'92 Budget	Room/Board	Foreign Lect.	Foreign Stud.	Sport	Total
72,901	56,722	-22.2%	-8.5%	66,693	8,328	420	0	10	75,451

Source: Budget documents from the *Czech Ministry of Education and Sport*, 1992. In Mauch and Fogel (1993).
Normative in Kcs = 16,921.

As a result of the application of the ratios, some of the 23 institutions in the Czech Republic received severe cuts and others great increases. The Ministry was forced to apply a correction factor in order that no institution would receive a cut or increase of more than 10%. For the University of South Bohemia the decrease turned out to be 8.5% which gave a normative budget of 66,693,000 Kcs. Adding in the above normative amount, the total budget for 1992 was 75,451,000 a severe cut from 1991 (Mauch & Fogel, 1993).

As stated earlier, the above normative budget was designated for activities above basic instructional costs, (e.g. student room and board, stipends for foreign students, sports, and special programs). The proportion of the budget derived from normative and above normative varies greatly by institution. It was suspected that one reason the budget is separated into these two categories is to enable the state increasingly to restrict the above normal budget by asking the users to pay ever increasing amounts until these activities are self-sufficient. Given restrictive budgets, it could be argued that universities may find it necessary to admit more students, release unnecessary or incompetent faculty, and attend to social demand (Daniel, 1991). This scenario has only partially developed.

Government's new role in the financial development of academic institutions

The government, through the Higher Education Act of 1990, has provided higher education institutions with additional opportunities to obtain non-governmental funding. Universities have been freed by the state to earn money through conferences, tourism, consulting, publishing, research, university enterprises, bookstores, lecture notes, exams, student fees, franchises and licensing arrangements. Universities may keep additional income in their own institutional accounts and the 1990 law exempts university enterprises from taxation (OECD, 1992). New laws have also allowed universities to seek donations and bequests and they can set up foundations to continue the work of the university in perpetuity.

Contributions from the private sector

A plan developed by the Ministry of Finance and implemented as part of the new tax system established on January 1, 1993, called for tax relief for private sector enterprises who donate funds to organizations or institutions with activities deemed to be in the public interest.

Higher education institutions fit into this category (OECD, 1992). In this way the government is encouraging private sector enterprises to donate a portion of their earnings to higher education. While the potential is great, there are limitations. First, in the near future, funds from this source will be small because in the current stage of the country's economic transition, firms are still struggling and profits are small. Donations from multi-nationals are not yet significant. Also, higher education institutions will have to compete with other institutions (e.g., museums, theaters, social service organizations, etc.). To secure this income, universities will have to find ways to make their programs attractive to donor groups unaccustomed to philanthropy.

When Czechoslovakia split into the Czech and Slovak Republics in 1993, initially there was little change in the higher education system. However, weaknesses in the 1990 Act especially within the area of financial decision making and academic management needed to be addressed if reform was to continue. There required specific plans and needs for each system and as such the Czech Republic developed its own higher education act in 1998.

Higher Education Act of 1998

A new Higher Education Act was approved by the Czech parliament in April 1998 which was designed to address many of the issues in management and financing that had developed since the implementation of the 1990 Act. The 1998 Act differed from the law passed in 1990 in that it allowed for the further creation of new programs, institutional diversification and a basic change of property rights.

The 1998 Act is a continuation of legislation on economic management of state property. The ownership of the property will be transferred from the state to the institutions of higher education, thus fundamentally altering their financial management concerning property and budgeting. The change in property rights transforms state higher education institutions into public legal entities. As a result there is a change in internal management, making institutions more self-determined by having self government rights in the use of their property (e.g., the right to collect fees for use of the property). Through this new method of management and ownership came the establishment of a new body in public higher education institutions, the Board of Trustees, consisting of academic and business leaders (Ministry of Education, Youth and Sport, 1998). Through this and other measures, the government further promotes the concept of multi-source financing by making institutions more self-reliant and decentralized.

The method for government funds to be distributed to higher education institutions will also change. Continuing with the method started in the early 1990s, funding will be focused on a formula funding method based on the number of students enrolled although it will affect significantly more than the 10% of the overall higher education budget that was indicated in 1992 (the exact amount was still not finalized during the writing of this report). It is believed that this will make the process more effective and transparent as it will depend on the institutions to develop programs to attract students and thus increase their funding from the government and fees imposed on the students. This method of funding will also be a means of competition among institutions for students. Creating programs in demand and improving existing programs will be important to attracting more students. This flexibility of operations will prove important to drawing in more funding from government and business.

The 1998 Act also introduces the concept of study fees for students of public higher education institutions. Before this Act, there were no tuition fees and students' families received an allowance, tax relief and stipends. Educational materials, housing and meals were also subsidized. In most cases these subsidies or stipends have been drastically reduced or eliminated slowly throughout the 1990s. Because of the 1998 Act, public higher education institutions can set the entrance fees (e.g., exams), but a maximum level is determined by the Act. As far as further fees for study (e.g., tuition, etc.), the minimum lower limit is prescribed

by the Act and the maximum amount is left to the discretion of higher education institutions. Students who stay a year longer than is determined by the study program will be required to pay additional study fees. These funds will be used as a scholarship endowment to be expended within the institution. For private institutions, whose development is made possible through the 1998 Act, the study fees are not adjusted by the Act. The determination of their amount is completely at their discretion (Ministry of Education, Youth and Sport, 1998).

The diversification of higher education financing

With the implementation of the Higher Education Acts of 1990 and 1998, the democratization of society and further collaboration with the West, some necessary reforms are gradually being implemented to make higher education institutions more financially self-sufficient. These reforms have come in the form of a diversification in higher education institutions and programs. This diversification is an attempt to make the funding of institutions more flexible and adaptive to the needs of the economy by tying them more closely with business and government in their region. This in return is designed to provide them with additional revenue for their development. These reforms are occurring through a focus on regional higher education, bachelors studies and private higher education institutions among other areas.

Regional higher education institutions

After 1989, new universities and faculties were established that had a considerable influence on the regional structure of higher education. Since 1989, the share of the total number of students in the traditional university centers of Prague and Brno dropped by about 4%, as regional educational centers increased enrollments. Under 40% of students studied in Prague (the capital) in 1998, compared with 43% in 1989, and in Brno (the second largest city), 19% compared to 23% (Ministry of Education, Youth and Sport, 1998).

Some universities have become actively engaged with their regions and municipalities and have attempted to merge academic activities with local concerns. For example, in Liberec and Olomouc the universities have developed training and re-training programs in teaching, local administration and architecture, in close collaboration with their municipalities (Mokosin, 1995). Some regional universities have attempted to adapt to their reduced funding (in relation to inflation) from the government by developing ties with industry. Currently, the principal involvement of the universities in industrial re-organization is in the area of re-training managers and workers. In the future, the active engagement of university research and teaching on issues of regional concern is likely to flow from structured and regular consultations between scientists and teachers on one hand, and representatives of economic and social organizations and local government on the other.

As new laws have been passed in the area of tax exemption for non-profit organizations, it is expected that collaboration between higher education and industry will increase throughout the country which will further regionalize higher education and its ties with local business. This is designed to aid in the development of the regional economy. If innovative enterprises grow in numbers and the financial capability of these companies expands, this sort of collaboration could increase and be mutually beneficial to these businesses and the higher education institutions.

Bachelors Studies

Higher education institutions in the Czech Republic are attempting to meet changing skill level needs in the economy by offering more intensive courses that can be completed in a shorter period of time. One of the programs designed to do this is the bachelors studies program created in 1992. The bachelors study program usually lasts three years, but occasionally four. The degree of magister or engineer, the first and only level of undergraduate study prior to 1992, usually lasts five years (Mokosin, 1995, Winkler, 1993). The bachelors program does not replace the established method of study, but rather provides students with a more condensed, specialized option. Many bachelors study programs are designed to anticipate the future demand for high quality professionals in fields whose relevance to the economy has changed dramatically. These fields include; economics, engineering, business, mathematics, physics, law, public administration, and the like. (Ministry of Education, Youth and Sport, 1998).

According to the 1998 Act, the bachelors study program can lead to the awarding of the degree as a basic unit of higher education studies (Bachelors of Art, BcA) and there is now a bachelors degree offered at most institutions. bachelors courses are now offered at over 50 faculties in 18 higher education institutions. There are over 160 specializations within the faculties, many of which are offered with a part-time option (Prucha and Halberstat, 1993). Not surprisingly, most of the programs are located in the small provincial higher education institutions whereas the large well-established universities in Prague or Brno are somewhat resistant to this non-traditional method of study. Of the over 160 specializations, only about 30 are in the two largest universities; Charles University in Prague and Masaryk University in Brno. A common thread among the different bachelors programs is the concept of a self-contained cycle leading to specific qualifications not previously offered in any of the existing institutions. These programs are often established to meet local needs at the request of regional authorities.

Regional sites have established separate fields of study such as the Textile and Engineering school in Liberec (technical school) which is developing a bachelors program in technical engineering in co-operation with Skoda works and its parent company, Volkswagon, in the neighboring town of Mlada Boleslav. The Liberec/Skoda bachelors program also has the support of the Ministry of Industry and is one of the few cases of close inter-ministerial collaboration in the sphere of higher education. The Faculty of Law in the University of Olomouc has a bachelors study program in the field of Public Administration, and several schools of Education have a bachelors cycle in studies qualifying engineers or other specialists to teach in professional secondary schools (Prucha and Halberstat, 1993).

The number of fields of study offered as well as the number of students taking bachelors degree programs is growing steadily. In the 1997/1998 academic year, the proportion of students taking bachelors degrees of the total number of undergraduates was 24.3% compared with only 11.1% in 1992/1993. The number of applicants for the bachelors programs continues to grow and enrollments have tripled in six years. (See Table 2.)

Table 2
Development of the number of students taking
bachelors programs and their share in the
total number of undergraduates in the Czech Republic
(1992-1998)

Academic year	Students of bachelors programs	Undergrad. as a whole	Students taking bachelors programs
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			as a % of total undergraduates
1992/93	12,628	114,185	11.1%
1993/94	15,624	122,456	12.8%
1994/95	28,147	129,453	21.7%
1995/96	34,821	139,774	24.9%
1996/97	36,668	156,868	23.5%
1997/98	39,410	162,373	24.3%

Source: Ministry of Education, Youth and Sport, 1998.

With the addition of tuition and other user fees, these programs represent a growing source of additional income.

Private education

Private higher education did not exist in Czechoslovakia under communism. The 1990 law, while not forbidding the introduction of an alternative or binary system of higher education (both private and public institutions), did not authorize the establishment of private institutions. Legislation stated that: "It shall be the exclusive right of institutions of higher education to provide academic-scientific degrees to graduates and organize post-graduate studies" (Mokosin, 1995). As a result of the very restricted levels of privatization within Czech society prior to 1989, along with limiting legislation within the 1990 Higher Education Act, private higher education institutions had not been established to any significant extent since 1989.

As a means of diversification, coinciding with the increasing privatization of government owned industry, government and academic policy makers through the 1998 Higher Education Act attempted to address the need for private higher education by making it significantly easier for the creation of these institutions. Institutions dealing with educational, scientific, research, development, or other creative activity can be founded after acquiring state permission. They are responsible for establishing their own fees for study (Ministry of Education, Youth and Sport, 1998).

In sum, higher education policy makers, in collaboration with government officials are seeking to diversify their financial sources and operations through the development of bachelors programs, private institutions and closer ties with the regions in which they are located. Through these methods, institutions are attempting to become more economically self- sufficient, either through the addition of fees for study or collaboration with business. Each of these programs increases academic decision making and creates opportunities for the development of financial resources outside of government funds, thus increasing their autonomy.

Conclusion

Higher education in the Czech Republic is going through an important transition, both politically and economically. New methods of financing university operations are necessary during the transition to a market economy as government funds are increasingly being drawn to other areas. Government and academic officials have worked together in the development of the Higher Education Acts of 1990 and 1998, both of which provide more academic freedom and opportunities for higher education institutions to develop programs that will meet their economic needs. Some of the key elements of change and diversification in higher education were:

- The regionalization of higher education through the tying of regional institutions to some financing from the region's industry and increasing the role of local government support
- The creation of bachelors programs and their expansion of enrollments in which is expected to account for at least 20% of the flow of higher education graduates by the year 2000.
- A shift in student financial support from the government to students and families (e.g., tuition fees and private education).

Because of the similar political and economic structures in all former post-communist countries, policy makers and educational researchers in transitional countries around the world may find the Czech transition useful in finding alternative methods of financing higher education. As the process is still developing, further research in this area after a longer period of implementation should lead to an evaluation of the alternative methods currently being undertaken in the Czech Republic and other countries in the region. As the countries of Central and Eastern Europe continue to move toward democracy and capitalism, higher education must move with it and create opportunities for itself now and in the future.

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