

# Romania: Public–Private Divide in a Dual-Track System

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## Abstract

States can ensure that higher education remains a public good by providing free or low-cost high-quality education either to all students or to students who otherwise could not afford it. It is often assumed that public good-oriented provision is offered by state-funded universities. The reality of the public-private-good dichotomy is much messier in many countries, including Romania.

Similar to many other post-Soviet countries, Romania has a dual-track higher education system, in which public universities offer both fee-paying and non-fee-paying places. In the Romanian case, the tuition charged at both public and private universities is low. Due to the dual-track feature of the Romanian higher education system, public universities are characterized by a public–private divide. Public universities were not designed to be equitable; they have embraced commercialization (e.g., making use of advertising for recruitment purposes, enrolling many students in high-demand programs without direct links to labor market demand, and recruiting increasing numbers of fee-paying international students), and created tiers between fee-paying and non-fee-paying students. In addition, due to the low cost of tuition at both public and private universities, private universities are accessible to students. Contrary to typical arguments from supporters of private provision, the emergence of private higher education in Romania did not lead to pedagogical, managerial, or technological innovation. Nor did it lead to public debates on the role of the state in the provision of higher education. This article discusses some of the ways in which the Romanian case undermines traditional debates on public and private higher education.

## Public–Private Dynamics Characterize State Higher Education Provision

A public good-focused higher education system ensures access to its neediest students. Yet, state-funded higher education in Romania is not oriented toward equity and inclusion. Merit orientation is a typical feature of dual-track systems. While a few tuition-free places are earmarked for students from rural high schools and Roma students, and a limited number of need-based scholarships are offered at public universities only, tuition-free places are primarily merit, rather than need oriented. Merit criteria also dominate scholarships and allocations to coveted and scarce publicly funded student accommodation. State institutions in Romania are designed to attract and support students with the highest academic achievements—who traditionally come from more privileged backgrounds.

Private higher education provision is criticized for leading to commercialization and the creation of a two-tiered system. As public universities also have an incentive to attract fee-paying students, they too engage in commercialization activities and demand-driven courses, partly as a response to competition from the private sector, but also due to competition within the public sector. Moreover, with some students paying and some students not paying tuition, a two-tiered system is formed among students at public universities.

## Low-Cost Tuition Available at Both State and Nonstate Institutions

Despite the merit-oriented design of public universities, cost is not the main barrier to higher education access in Romania at either state and nonstate institutions. Both public and private universities are low cost. In some cases, tuition at private universities is lower than at public universities. At the Ecological University of Bucharest (EUB)—the longest operating private university in the country—the yearly tuition for a master degree in psychology was less than EUR 750 in 2020. This was EUB's highest priced bachelor or master program. At the University of Bucharest—one of the largest and most prestigious public universities in the country—a fee-paying master student in psychology would be charged a little over EUR 800 per academic year. The official monthly minimum wage in the country was about EUR 460 in 2020.

**Nonstate Provision: Neither Increased Quality nor Innovation**

It is assumed that the emergence of private higher education can lead to innovation and increase quality of provision. This has not been the case in the Romanian context, as private universities emerged as, and remained, demand-absorbing institutions. Less than 1 percent of Romanians had a higher education degree in 1990. To compete in a demand-driven market, private universities did not have to innovate in order to succeed. They merely mimicked the programs, practices, and structures of public institutions. The similarities between public and private universities went as far as often using the same staff, with private universities offering dual employment to public sector faculty. The private sector peaked in Romania in 2009—enrolling 42 percent of students—and has decreased since, due to a major demographic decline coupled with relatively constant state funding toward public universities. In the academic year 2017–2018, private universities enrolled only 14 percent of all bachelor degree students. Due in part to this decline, in the past two decades, higher education researchers have not devoted much attention to private higher education.

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**Lack of Access: Persisting, But not Due to Cost**

Despite sufficient supply and the low cost of enrollment, access to higher education remains a significant challenge in Romania. In 2019, only 27 percent of 30–34-year-olds in the country had completed a higher education degree—the lowest rate in the European Union. Significant contributors are the high rate of early school drop-out, the low rate of enrollment for the baccalaureate (the secondary school leaving examination), and the current relatively low rate of passing the exam. In the Romanian context, innovations in the K-12 sector will be necessary for higher education to meet its public mission.

**Changing Market Conditions**

In Romania, the public debate about nonstate universities is not about the public-good vs. private-good nature of higher education. As stated above, private universities emerged as, and have remained, demand-absorbing institutions. Occasionally, they are criticized on quality grounds, but such criticism is easily applicable to many public universities. Private universities missed the opportunity to spur innovation, in great part due to the systemic conditions in which they emerged. Yet, an urgent impetus for change is emerging in the country for both public and private institutions. Romania is experiencing one of the highest population declines in Europe. In 2018, universities only enrolled the equivalent of 44 percent of students compared to their enrollment peak in 2007. Perhaps the continuing demographic decline—rather than current national funding policies—will force both public and private universities to innovate and increase their quality in order to attract a shrinking number of students. ▲

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