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# THE RISE AND DECLINE OF PRIVATE HIGHER EDUCATION

## Abstract

At the beginning of the post-communist transition, Romania had a huge social demand for higher education studies which had not been met by the communist system. The university system had experienced a severe contraction and mismatch between centrally allocated study places and the preferences of would-be students and their families.

After the demise of the communist system, the public universities started to adjust to the social demand, but had only limited resources to do so. Under these circumstances, the gap between demand and supply was filled, in Romania as well as in various other post-communist countries, by more dynamic new private institutions of higher education, some of which were founded already in 1990.

The milestone considers the different legal arrangements which allowed the foundation and functioning of the private universities, their business model, the quantitative expansion of private higher education, its (few) academic accomplishments and the contraction of private higher education after 2009.

Although the public statistics included private universities only starting with the mid-1990s, several private universities registered students already in fall 1990, and in 1991 there were at least 30 functioning private universities. The expansion of private higher education continued well into the 2000s, with a maximum of 70 universities in 2002/2003 and more than 400,000 registered students in 2008/2009.

During this phase of expansion, the business model of most Romanian private universities was quite simple: they capitalized on the huge demand for fields of study which had been downsized during late communism and which did not demand major investments (law, economics, social sciences and humanities), and offered the same programs as public universities (largely taught by retired or associated faculty), but with significantly more permissive examinations. Local branches and flexible programs (including also distance learning) allowed them to attract huge numbers of tax-paying students, and provide them university degrees.

Low operating costs and huge tax revenues allowed to the private universities to build modern campuses and to invest in real-estate.

There were also few private universities which built up their strength in niche specializations (media, communication sciences, theology, dental medicine etc.), and whose performance was officially recognized by the national hierarchy per fields of study undertaken in 2011.

The decline of private higher education was severe. It started with the public crackdown on the Spiru Haret University, but was determined additionally by the exhaustion of the residual social demand for university studies coming from people who were denied this possibility during the communist system, by the diminishing cohorts of youngsters born after 1990, and by the smaller number of eligible high school graduates. The number of tax-paying students declined sharply in the early 2010s, and continued the downward trend also in the next years. Some fields of study and even entire private universities became unprofitable and were gradually closed (the number of private universities declined from 70 in 2002/2003 to 31 in 2021/2022).