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Abstract

In most countries higher education institutions used to receive large portions of their funding by direct state allocation. For the past couple of decades this trust-based funding regime has been replaced by performance-based regimes. The article rests on the empirical observation that new funding regimes are increasingly becoming a policy instrument that is used to deal with resource allocation in growing higher education systems. It is argued that performance-based funding is used to promote vertical differentiation and functional specialization between institutions while at the same time secure horizontal diversity and pluralism within the system. The sweeping change is orchestrated by governments that are pressed by globalization to provide high-ranking, attractive institutions for hubs of innovation and competitiveness in knowledge-based economies. Advocates can be found among business and competitive universities, whereas reforms cause concern among other academics who perceive a loss of academic freedom and professional status. (HRK / Abstract übernommen)