

Summary of an Extended Comparative Analysis on European Private Higher Education*

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In November 2005, UNESCO-CEPES held a conference on Private Higher Education in Europe and Quality Assurance and Accreditation from the Perspective of the Bologna Process Objectives. Thirteen country reports and a comparative analysis study were commissioned for this specific initiative. The countries included in the project were: Albania, Austria, Bulgaria, Estonia, Germany, Italy, Poland, Portugal, Romania, Russia, Spain, Turkey, and the Ukraine.

This article provides a brief summary of several main points of the comparative analysis study. The data referred to in this summary is taken solely from the sources cited in the full text study (see footnote).

Private HE in context

The labels "public" and "private" most often refer to the founding bodies or funding sources of an institution. The terms are also often used to infer the groups or sectors that benefit from the institutions' services. Studies show, however, that public as well as private HE contribute to both public *and* private good. Graduates of both kinds of institutions have better personal career opportunities, and thus better economic potential than non-HE graduates, and thereby strengthen the human and social capital of a given society. Hence, private HE addresses public needs, meets public purposes, and remains a public concern. The "publicness" of private HE must be recognized and acknowledged at the outset of any discussion of the private HE sector.

The boundaries between public and private HE have shifted as a result of worldwide trends; the "market" is the converging notion that embraces or assimilates both private and public HE. The (usually legal) labels of *public* and *private* contribute to confusion in perceptions or stereotyping of the two sectors. In the interest of improving clarity in public policy and in order to increase common understanding for how a diversified system of HE contributes to democratic and economic development, the need for continued analysis of the social role and status of legally-designated private HE sectors remains.

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The legal nomenclature of “private” in the context of HE has a different meaning in different countries. In many of the countries considered in the extended study, “private” really means “non-state” while “public” means “state”. There is a “continuum of privateness” within each private HE sector and in each country.

All forms of HE remain overwhelmingly a public responsibility in the sense that they operate within several regulatory frameworks requested by public authorities:

- Qualifications framework: degree structure and its requirements, provision for QA
- Autonomy framework: laws to guarantee university autonomy and adherence to certain HE governance structures
- Equal access framework: laws to ensure equal treatment of all who want to study
- General legal framework: regulations relating to employment, health, safety, etc.

The thirteen country reports, on which our comparative analysis study is based, examine private HE sectors as they are defined by the respective national legal nomenclature. However, this scope does not capture all forms of non-public HE provision. For example, in many cases the national statistics and data do not take into account forms of private HE offered by international or transnational providers.

Outcomes from the country reports

An analysis of the thirteen country reports resulted in several general conclusions. First, it is obvious that while private HE institutions are often much smaller in size than public universities, the size of private HE institutions should be examined in the context of the number of students in the private HE sector as well as the funding provisions under which they operate. Meanwhile, changes in student numbers and demographic trends require continual flexibility throughout the greater HE sector. Predictions of decreasing numbers in student-age populations in most European countries will most likely result in greater competition for students among all HE institutions, both public and private.

Many academic staff members in the European private HE sector either hold concurrent jobs in public universities or come from the public HE sector originally. This is a consequence of the very fast development of the private HE sector in many parts of Europe over the last fifteen years. Due to the fact that many staff members in private HE are employed on a part-time or contractual basis, figures representing student/teacher ratios are highly unreliable. The use of this data as an indicator of quality, marketing tool, or as a basis of comparison between HE institutions and sectors thus becomes suspect when it is not supplemented with explanations for how it is calculated.

In many countries where the capacity of the public HE institutions is overextended, private HE appears to fill the gap between demand and supply in the most popular study fields. According to the “resource dependency theory”, HE institutions that depend on tuition fees for the main part of their revenues must offer study fields that require low infrastructure costs, little investment, and attract as many students as possible. Private HE institutions that introduce study fields not offered in the public HE sector contribute to a broader portfolio of study areas in the country, and thus address the need of access in a different way. In most countries of focus, public support for private HE is very low. However, indications of increasing public financing for private HE institutions also relate to a growing acceptance of private HE within the national systems.

In most countries, the average fees charged at private HE institutions far exceed those charged at public universities (if they charge fees at all). Due to the heavy dependency of

most private HE institutions on tuition fees, the amounts they charge must correspond to the relative costs of provision. In the public HE sector, the fees may be set according to different criteria, since the main source of support remains the government. This inconsistency makes it less feasible to consider tuition fees as an indicator of efficiency – or lack thereof.

Improved meaningful and compatible data collection mechanisms that allow cross-country and cross-sectoral comparisons would not only strengthen research in HE throughout Europe, it would help de-mystify some of the popular assumptions on which stereotypes of public and private HE are based.

Contentious Issues

Legislative frameworks:

Relations between HE and the state have become increasingly problematic during the last decade. Difficulties arise when limits for the frameworks of public responsibility for HE are unclear. In many countries in Central and Eastern Europe, the legislative framework continues to be tenuous, due to frequent changes in law and lack of time for implementation and adaptation. Instances of questionable legislation have also occurred, contributing to this tenuousness.

Legislative frameworks vary from country to country; relations between HE and the state generally become more variable – as funding for HE diversifies and state-allocated budgets are supplemented by private revenue sources in public HE. With the devolution of state authority, HE institutions are expected to make greater efforts to promote internal cultures of quality and transparency, stimulating trust in their institutional autonomy.

Usages of accreditation:

Accreditation has often been used as a tool of public control over HE. The accreditation process has been used as a legal lever to “weed out” poor quality HE institutions as well as those that do not conform to traditional norms. Accreditation requirements are often applied differently in the public HE sector than in the private HE sector; in other cases the same criteria applied to both sectors clearly discriminates against private HE institutions. There is thus a perceived bias against the private HE sector in accreditation processes.

Fair and unbiased standards in accreditation are essential to the provision of quality in education. There are many categories or kinds of quality that constitute the richness of an HE system. The use of accreditation procedures as a tool to maintain a single standard (“one size fits all”) undermines the stated purpose and aims of the Bologna Process.

Faculty employment:

As has been mentioned before, the phenomenon of multiple employment of HE staff across the invisible border that separates public and private institutions has become increasingly prevalent. This is due at least in part to the limited human resources available in many national HE systems, and will probably decrease with time.

The narrow focus on certain study fields in many private HE sectors means that only professors in certain academic disciplines are in demand by both sectors. Legal measures are often taken to prevent multiple employment, particularly within sectors competing with each other for financial and other resources.

Among the most common criticisms of multiple employment are the arguments that it:

- Contributes to the lowering of quality in HE provision

- Research efforts are reduced
- Private HE institutions “exploit” the reputation of the public universities
- Faculty members suffer from conflict of interest

Meanwhile, until more academics enter the labour market, there is little that can be done to thwart multiple employment. As long as it is a reality within the HE sectors, several advantages can also be identified. Multiple employment promotes:

- The exchange of teaching techniques and instruction methods
- Additional freedom in certain research areas
- Financial gain through supplemental income
- “Brain gain” (by increasing incentives for academics to stay in their home country).

Currently, multiple employment has an uneven effect on the reputation of public vs. private HE institutions. Although the professors are often the same, their performance ratings seem to depend on the institutional setting (which supports the claim of bias against the private HE sector). That is to say, public universities often benefit from the strong reputation of their teaching staff, who are employed under full-time contracts. The same professors who teach part-time at private HE institutions are rated less highly. In reality, however, the professors who teach at more than one institution are “part-timers” everywhere.

In addition, research outcomes by professors who work at more than one university are attributed overwhelmingly to the public “home” employing institution. The private HE institution, meanwhile, usually has no claim to its part-time staff’s research production or publications.

Admissions processes as an indicator of quality:

While some private HEIs are reputed as top universities in their countries, many suffer from a perceived or factual low quality provision. An HE institution’s reputation for quality is often based on the status (intellectual merit) of students who are admitted for study, rather than the graduates the institution “produces”. This means that universities cannot claim full recognition for the outcome of the instruction they are providing: if “quality” students are admitted, then it is likely that “quality” graduates will also ensue. While this is stating the obvious, it highlights the relativity of the notion of “quality”: It is always context-specific and thus can be a trademark for all HE institutions, whether they aspire to be centres of excellence, to promote access, or to fill a niche left unaddressed by others. Universities are, indeed, as good as their students are – not when they *arrive* but when they *leave* the university.

Aside from the use of admissions procedures as indicators of quality, current HE admissions practices often promote social and academic inequality. Students with greater financial means most often win the “free” study places in public universities, while less-privileged students most often pay the un-subsidized tuition fees at private HE institutions (if they can afford it at all). This practice goes against the stated Bologna Process goal of making “quality higher education equally accessible to all” (Bergen Communiqué, 2005).

Comparative Analysis

Measuring privateness:

In the literature, an HE *system* is considered “more private” when there are higher enrolments in the private HE sector. An HE *sector* is “more private” (in the sense of “exclusive” or “not in the public domain”) when:

- Relatively few individuals are involved (low enrolments: not open to the public)
- Admission is restricted (high selectivity: no public access)

- The state or public bodies play a minimal role (no public steering)
- Resources come from private or non-state entities (no public support)

According to these criteria, a private HE sector can be “more private” according to certain criteria, and “less private” according to others.

Private HE sectors’ roles:

Private HE in the thirteen countries of focus take on two general roles: access and elite provision. Private HE sectors that fill the access provision role commonly have enrolment levels of above 10 percent of the national student population. Their admissions procedures are generally more open than the public HE sector, indicating a low level of selectivity of candidates for study. The funding sources for private HE institutions in these countries are still nearly exclusively private, and there is little recourse to public subsidy.

Private HE sectors that fill the elite provision role commonly have enrolment levels of less than 10 percent of the national student population. Their admissions procedures indicate a higher level of selectivity of candidates for study, and their funding sources are usually a mix between private and public moneys.

According to these criteria, we categorised the private HE sectors in the thirteen countries of focus as follows:

Access provision: Bulgaria, Estonia, Poland, Portugal, Romania, Russia, Ukraine

Elite provision: Austria, Germany, Italy, Portugal, Spain, Russia, Turkey

(Portugal and Russia are included in both categories for several reasons. Meanwhile, the private HE sectors in all thirteen countries also encompass institutions that stand out as exceptions to the category in which we have placed them.)

Reputation vs. profile:

Access-providing private HE sectors generally have a reputation for low quality educational provision. One reason for this is because private HE institutions in the access-providing role often admit students who are denied entry into public universities. Furthermore, study programmes that are offered at public universities are often duplicated in these private institutions, and are commonly judged as inferior.

Elite-providing private HE sectors generally have a reputation for exclusivity, since high tuition fees exclude students without substantial financial means when loan arrangements are absent. Many of these private HE institutions have not yet established a reputation for transparent quality provision to match their high fees.

We argue that within the two general roles that private HE sectors fill, there are several additional types or “profiles” that can be identified. Furthermore, there are profiles that indicate both higher and lower quality within both access- and elite-providing private HE sectors.

Profiles in *access*-providing private HE sectors include:

- **Exploitation:** low quality replication of public HE providers; prompted by high student demand; more responsive to profit from the student market than delivery to the labour market; little concern for QA or accreditation status

- **Motivation:** high quality replication of public HE providers; depends on high student demand, responsive to the student market; responsive to perceived shortcomings in public HE provision; high concern for QA and accreditation status
- **Innovation:** can be a catalyst for change in HE systems; as a niche provider, supplies what public HE does not; socially responsive to both student and labour market needs; high concern for QA and accreditation status

Profiles in *elite*-providing private HE sectors include:

- **Opportunity:** promotes the renewal of the elite social strata, based on criteria other than financial or genealogical; high admissions standards with selective criteria and student financial assistance; socially responsive to both student and labour market needs; high concern for QA and accreditation status
- **Exclusivity:** promotes the reproduction of the reigning elite and social inequality; high tuition fees are not supported by financial assistance strategy; high concern for image and prestige; less concern for quality than for reputation

The comparative study concludes with the observation that the common discourse perpetuating the reputations carried by private HE institutions and sectors should begin to account for the wider variation in profile and quality, beyond the two main categories of provision.

One of the main obstacles in the quest for legitimacy by newly established private higher education (HE) institutions lies in the view shared by many actors in the European public HE sector that private HE directly threatens the continuance or even the long-term advancement of public educational institutions. However, the pressures of globalization and the advent of the market economy in the formerly communist parts of Europe have brought new demands to bear on HE systems, many of which are beyond the capacities of the public universities alone. The most successful universities in modern society are those that define their own responses to shifting circumstances (Clark, 1998). Resistance to change on the part of public universities is, in large part, a motivating factor for reformists to establish new, more socially-responsive HE institutions. In light of the increasingly diverse needs in the European democratic societies, both public universities and private HE institutions have roles to fill in today's continually developing knowledge economies.