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Research on private educational institutions in international markets (Raziskava mednarodnega trga zasebnih izobraževalnih inštitucij)

*Katarina Lavrič*¹

1. Research on private educational institutions in international markets

One international classification of education (OECD 1990) defines *private education* as that provided in institutions managed by private persons, yet this definition covers a wide variety of situations. Some private institutions are wholly funded by the state, others receive a significant amount of state aid, while still others receive no state aid at all. Further, in any given country the situation may vary over time and according to the level or type of education.²

Table 1: Classification of private schools

<i>Type</i>	<i>Origin</i>	<i>Context</i>
<i>Community</i>	Some developed from missionary schools; The majority emerged when communities wished to complement insufficient provision of public education	These schools are normally registered by public authorities; regulated under public legislation and receiving public subsidies
<i>Religious</i>	Developed for historical reasons, often appearing before the arrival of public education	These schools are normally registered by public authorities; regulated under public legislation and receiving public subsidies
<i>Spontaneous</i>	Arose in specific learning conditions to meet particular demands of the rural and urban poor	Normally not approved or registered and they do not receive public funding; funds accrued from minimal fees levied by the community

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² EdInvest, Handbook on Public Private Partnerships, Part One: Purpose & Objectives, http://www1.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/EdInvest_Home/PublicPrivatePartnerships/ (25.03.2013), including the table.

<i>Profit making</i>	Arose as a result of diversification/unmet demand; Usually, but not always, urban based serving the middle/upper class; Volume of the fee payment varies considerably	Conformity to registration process varies; with the higher range of schools being the most likely candidates for adherence to the system
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Source: Adapted from Kitaev 1999

Past education strategies of the World Bank strongly focused on formal schools that are funded and/or operated by governments. However, its new strategy explicitly recognises that learning opportunities go beyond those offered by the public sector, as well as beyond traditional formal programmes. Learning opportunities include education services offered by the non-state sector. This sector – which encompasses both for-profit and not-for-profit entities – functions as a provider, funder, and/or innovator in education. The non-state provision of education services at all levels has increased dramatically across the world. The share of private sector enrolment is highest in South Asia, Latin America and the Caribbean, even in these regions' low-income countries. It is significantly higher in secondary and tertiary education than in primary education. Although it is often assumed that the private sector mainly serves students who can most easily afford to pay, private entities are providing education to even the poorest communities, especially in areas that governments do not reach. The private sector also collaborates directly with the government in different ways. In many countries, for example, governments subsidise or contract non-state organisations to provide education, or specific services within education institutions, while covering much of the cost. Recognising the value of private sector involvement does not mean abdicating government responsibility: governments typically have to provide appropriate regulation and oversight to ensure the quality and relevance of privately provided services, as well as access for disadvantaged students.³

Globally, the share of the age cohort enrolled in tertiary education rose from 19% in 2000 to 26% in 2007, with the most dramatic gains in upper middle and upper income countries. There are some 150.6 million tertiary students around the world, roughly a 53% increase over 2000.⁴ The growth of private higher education

³ World Bank, *Learning for All: Investing in People's Knowledge and Skills to Promote Development*, World Bank Group Education Strategy 2020, Washington D.C., 2011, pp. 34-5.

⁴ UNESCO, *Trends in Global Higher Education: Tracking an Academic Revolution*, Paris, 2009a, p. 9.

worldwide has been one of the most remarkable developments of the past several decades. *Today, some 30% of global higher education enrolment is private.* While private higher education has existed in many countries – and traditionally been the dominant force in such East Asian countries as Japan, the Republic of Korea, and the Philippines – it has formed a small part of higher education in most countries. Currently, private higher education institutions, many of them for-profit or quasi for-profit, represent the fastest-growing sector in the world. Countries with over 70% private enrolment include Indonesia, Japan, the Philippines and the Republic of Korea. The private sector now educates more than half the student population in countries such as Mexico, Brazil and Chile. Private universities are rapidly expanding in Central and Eastern Europe and in the countries of the former Soviet Union, as well as in Africa. China and India also have significant private sectors. The Middle East and North Africa are also registering private education enrolment, with ‘American universities’ dotting the horizon in Egypt, Jordan, Lebanon and elsewhere.⁵ Private universities have been expanding rapidly around the world, but particularly in developing countries as rising demand for higher education has meant private providers are plugging a gap that publicly-financed institutions cannot fill fast enough, according to a new study (*A New Dynamic: Private Higher Education, Svava Bjarnason, et al.; UNESCO, 2009*).⁶

Table 1: Regional clusters of private/total higher education enrolment⁷

High	Medium	Low
East Asia	United States	Western Europe
Latin America	Central/Eastern Europe	Commonwealth countries
	Anglophone Africa	Francophone Africa
		Arab countries

* There is significant variation inside most regions.

⁵ UNESCO, Trends in Global Higher Education: Tracking an Academic Revolution, Paris, 2009a, p. 17.

⁶ University World News, Expansion of private higher education, Yojana Sharma, <http://www.universityworldnews.com/article.php?story=20090707152445674&query=private+education> (25.03.2013).

⁷ UNESCO, A New Dynamic: Private Higher Education, Paris, 2009b, p. 14.

Table 2: Private/total higher education enrolment⁸

	0-10%	>10<35%	>35<60%	>35<60%
Developing countries	Cuba, South Africa	Egypt, Kenya	India, Malaysia	Brazil, Indonesia
Developed countries	Germany, New Zealand	Hungary, United States	(none)	Japan, Republic of Korea

2. Some stylised facts on private higher education

The recent surge in private higher education calls for a new look at privatisation and its impact on higher education around the world. In particular, one needs to go beyond some of the 'myths' surrounding private higher education in order to understand the complexity of this important part of higher education. This section tries to identify some of the most significant patterns emerging with this recent wave of private higher education institutions.⁹

2.1. Types of private higher education

There has been great growth in private higher education, even considering regional variations. However, private higher education is far from being a homogenous sector. It is important to understand the phenomenon by identifying its major forms. Four categories are elite and semi-elite, identity, demand absorbing, and for-profit, although there is some category overlap. Restricting the partnership label to formal agreements between private and public higher education institutions, we see a tendency for the privates to be colleges and the universities to be public.¹⁰ Overall, the development of private higher education is playing an important role in helping to meet rising participation expectations in many countries.¹¹ Higher education is today increasingly being viewed not by type (i.e., state or non-state), revenues (for-profit or non-profit), or even by mode (full-time, part-time, distance or virtual

⁸ UNESCO, *A New Dynamic: Private Higher Education*, Paris, 2009b, p. 8.

⁹ OECD, *Higher Education to 2030, Volume 2 Globalisation*, Paris, 2009, p. 246.

¹⁰ UNESCO, *Trends in Global Higher Education: Tracking an Academic Revolution*, Paris, 2009a, p. 82-83.

¹¹ INCHER-Kassel, *Higher Education, Research and Innovation: Changing Dynamics*, Kassel, 2009, p. 54.

learning), but by *quality* and *provision measured by outputs*. The Bologna Process emphasises the latter, but has largely targeted the traditional state sector in pursuit of the quality enhancement of higher education systems at national levels. However, the private sector – in sheer size alone – now intrinsically forms part of European higher education, with growing legitimacy as a respected post-secondary partner and which is now playing an ever more important role, demanding the same responsibility, accountabilities and monitoring as the state sector.¹²

2.2. A diverse private sector

One of the most significant aspects regarding private higher education is its striking diversity. This is not an exclusive characteristic of the private sector, but the degree of its institutional diversity is considerable. Whereas the public sector often operates according to significant homogenisation rules, through instruments of regulation such as legal frameworks, funding, staff policies and student recruitment private institutions often reveal a reasonable degree of institutional diversity.

2.3. Size

One of these main differences refers to size since we can find very small and large institutions in most if not all private sectors around the world. The private higher education sector is characterised by the frequent existence of some very small institutions, often in large numbers. The size in terms of enrolments is normally far smaller in the average private sector institution than in its public counterpart. An analysis of the database compiled by PROPHE – Program of Research on Private Higher Education – confirms that this is a very common pattern. The average size of private institutions is often one-half or one-third of the average size of public institutions. This is even the case in countries with a well-established private sector such as the United States, where the number of private institutions represents around 60% of the total institutions, even though they enrol fewer than 25% of the students.¹³

¹² UNESCO-CEPES, *The Rising Role and Relevance of Private Higher Education in Europe*, Bucharest, 2007, p. 11.

¹³ OECD, *Higher Education to 2030, Volume 2 Globalisation*, Paris, 2009, p. 246.

2.4. For-profit nature

Another important source of the diversity among private higher education institutions has to do with their for-profit nature. Although historically private institutions were established as not-for-profit institutions, the recent growth of private provision has introduced many new shades of profit-seeking behaviour. The for-profit private sector has in some cases attained reasonable success regarding enrolment levels. Examples of this expansion of the for-profit private sector can be found in Brazil, the Philippines, Malaysia and South Africa where the majority of the private sector is for-profit. Further, although in many countries for-profit institutions are not allowed, many private institutions established with a not-for-profit status have in fact behaved as if they were for-profit. This has introduced important dynamics not only to private higher education sector, but also to the whole higher education system as for-profit provision has often become a challenge for regulatory powers that have shown difficulty in dealing with this emerging type of private institution.¹⁴

2.5. Institutional profile

Another significant source of the diversity within the private sector is its institutional profile. Although in many public sectors there are also institutional differences, this is even more the case within the private sector. Many private higher education institutions are not universities, but specialised institutions providing higher training in one or a few areas of study. Moreover, the role model of the university as an institution with a research mission is largely mitigated in the private sector. Whereas some private institutions try to obtain legitimacy regarding both the public authorities and society through some research, this is not the most common situation. However, one can observe a few examples of private institutions seeking to strengthen their reputation through more intensive research activity. In addition to the concern for reputation, another motivation for research efforts by private institutions has been the possibility of earning additional income, especially as regards applied research.¹⁵

¹⁴ OECD, Higher Education to 2030, Volume 2 Globalisation, Paris, 2009, p. 247.

¹⁵ OECD, Higher Education to 2030, Volume 2 Globalisation, Paris, 2009, p. 248.

2.6. Great expectations, policy omissions and mixed results

One of the main characteristics of the recent expansion of private higher education is that, in many countries with very different levels of income, governments alike have allowed the private sector to develop rapidly in order to fulfil objectives of higher enrolment levels. This has either been done because those governments were financially unable to support a massive expansion of higher education or because they were attempting to mitigate the effects of massification on the public sector.¹⁶

3. All around the globe

3.1. Asia

East Asia has the largest concentration of countries with proportionally larger private sectors. Countries with over 70% of enrolments in private higher education include Indonesia, Japan, the Philippines, and the Republic of Korea. Malaysia is approaching 50%. China and much of Southeast Asia (e.g., Cambodia and Vietnam) remain below 15% but are experiencing rapid expansion, although total enrolment rates remain quite low. Thailand and New Zealand are just marginally below 15%, Australia around 3%. South Asia is witnessing striking private growth, with India above 30% and Pakistan not too far behind. Towards Western Asia the data are spottier but Kazakhstan and Iran are roughly half-private.¹⁷

3.2. America

Latin America has a longer history than Asia in dual-sector development. By the late 1970s Latin America was already approaching 35% private enrolment and today it is closer to 45%. Again, there is variation by country, but now a few cases of less than 20%. Countries with majority private sectors include Brazil, Chile, El Salvador, Guatemala and Peru. Where the private sector has recently lost its share, notably in Colombia, the cause is not numeri-

¹⁶ OECD, *Higher Education to 2030, Volume 2 Globalisation*, Paris, 2009, p. 249.

¹⁷ UNESCO, *Trends in Global Higher Education: Tracking an Academic Revolution*, Paris, 2009a, p. 80.

cal slippage on the private side but sudden growth on the public side. Argentina is alone among the major countries and systems in maintaining a large public majority. Compared to Asia, Latin America has had more stable private higher education shares, but the most striking case of stable shares is the United States that have hovered between 20% and 25% for decades. The proportional stagnation in the USA, juxtaposed with the global growth, leaves the present US private higher education enrolment share below the global share, although obviously US private higher education is the most important in the world with the largest absolute private enrolment and towering above other systems in its graduate enrolment, research activity, and finance.¹⁸

3.3. Europe

Private higher education varies considerably throughout Europe in forms, numbers and in terms of reference for legislation. This sector has observed different development paths: a traditional sector for a few of them or a growing sector for others. However, we can say that significant growth has occurred in Europe since 1990.

We have noticed a common trend of private higher education in Europe, a sector that we can define as follows:

- a sector which is still young;
- a sector which is heterogeneous;
- a sector which remains not really known or visible;
- a sector which generally remains subordinate to public education;
- a sector which is booming in general; and
- a sector which offers more appropriate perspectives for students.¹⁹

During the 2000–2009 period, on average in the EU-27 the tertiary education population grew by around 22% (2.7% annual growth rate), reaching almost 19.5 million individuals in 2009.²⁰ A rise in the number of students was found in all countries across Europe, with the exceptions of Spain and Portugal. These two countri-

¹⁸ UNESCO, Trends in Global Higher Education: Tracking an Academic Revolution, Paris, 2009a, p. 81.

¹⁹ Hellenic Colleges Association, Private Higher Education in Western Europe, Athens, 2007, pp. 13-4.

²⁰ EACEA, Key Data on Education in Europe 2012, Brussels, 2012, p. 15.

es recorded a minor decline of 1.5% and 0.2%, respectively. The number of students rose almost three-fold in Cyprus and Turkey, while in Romania the figure doubled. Between 2000 and 2009, the growth rate of student numbers in tertiary education (ISCED 5 and 6) was greater than that of the EU-27 average, including in the Czech Republic, Denmark, the three Baltic countries, Greece, Hungary, Malta, the Netherlands, Poland, Slovenia, Slovakia, Iceland and Liechtenstein. On the other hand, in Belgium, Germany, France, Luxembourg, Sweden and the United Kingdom both the starting participation and the growth rate of student numbers were below the corresponding EU-15 and EU-27 averages. In most European countries, the highest annual growth rate occurred between 2000 and 2005.²¹ Central and Eastern Europe has jumped from nearly 0% private higher education under Communism to even over 30% in a few countries. Since most of Western Europe only has marginal private higher education, the overall figure for Europe is 16%.²²

3.3.1. Central and Eastern Europe

The common characteristic of private universities in Central and Eastern Europe is that none of them existed 20 years ago. The 'private revolution' in this part of the world started after the dissolution of the Soviet bloc and the fall of communism in 1989. Legislation passed in most Central and Eastern European countries in the early 1990s opened the way for private higher education, and the private sector experienced sudden growth across the region. In some countries such as Russia, higher education institutions were often created by privatising the existing facilities of state-run institutions. But, in most cases, these were completely new institutions without their own infrastructure or academic staff. Within a short time, the number of private institutions grew rapidly across the entire region. The initial explosive growth was followed by a decade of relative stability. In Poland and Romania, in the first five years private higher education institutions represented 25% of student enrolments. In Bulgaria, Hungary and Russia the proportion reached 12%. The growth of private higher education sectors across post-communist countries was powerful but not even. Dif-

²¹ EACEA, Key Data on Education in Europe 2012, Brussels, 2012, p. 84.

²² D.C.Levy, The Decline of Private Higher Education, HEP, 2013, no 26, p. 4.

ferent national patterns of growth were influenced by historically high enrolment rates, the speed of reforms, changing social values and the spirit of entrepreneurship. In Turkmenistan there are very few private institutions, while in Slovakia the sector has not achieved real importance in the higher education system, with its share remaining at 4% to 5% of the total education market. On the other hand, in Russia, Bulgaria and Hungary non-public university students make up around 15% of the total number of students and in Estonia, Latvia, Poland and Romania the private sector has in the end accounted for around one-third of all students. The most spectacular rise in the number of private institutions has been in Poland. In first 15 years, 350 providers were established. Currently, 32% of all students in Poland, or 580,000, are enrolled in 320 private higher education institutions. The most dynamic growth in student numbers in private colleges and universities has been reported in the Czech Republic. In 2000, 2,000 students attended these institutions while in 2010 their number had soared to more than 57,000, or 14% of all students. Today, some 30% of students across Central and Eastern Europe participate in private higher education, which has become a legitimate part of higher education systems and overall can be regarded as a 'success story'.²³

3.3.2. Western Europe

Western Europe remains a developed region with mostly just marginal private higher education sectors. Privatisation in the last 10 and more years has been more about changes within the public sector. Portugal has been the major exception, having once reached the 30% range for the private share of total enrolments. Spain has some academically prominent private higher education institutions. The Netherlands (majority private) and Belgium (minority private) have also long been exceptions, but their private sectors have mainly operated with government funds and similar sets of rules. Yet even in Western Europe there is change. The United Kingdom's sole private university may be joined by non-university institutions, as is already the case in Norway. At another extreme, we see startling announcements of philanthropic pledges by wealthy businessmen for Italy and Germany. Germany re-

²³ University World News, EUROPE: Tired pioneers in Eastern and Central Europe, Bianka Siwinska, <http://www.universityworldnews.com/article.php?story=2011111215313914> (25.03.2013).

flects a regional (and global) tendency for the institutional proliferation of private higher education to mainly occur outside universities.²⁴

A few brief descriptions of some European countries:

1. Austria – Apart from 12 private universities, there are also 19 private universities of applied sciences and private advanced vocational colleges. However, public universities remain the dominant segment in the Austrian higher education system.²⁵

2. Belgium – Education is the responsibility of each of the three federal regions of Belgium. No official information about the exact number of private institutions in the Flemish Community was available, but we found 19 either private state-recognised confessional or non-confessional institutions. In the French Community, there are 29 subsidised free establishments of higher education: 7 universities/university institutes; 14 *Hautes Ecoles*; 6 Higher Schools of Arts and 2 Higher Institutes of Architecture. There is no private university in the German-speaking Community.²⁶

3. There is no private university in Denmark, Finland, Greece, Ireland and Luxembourg. However, there is a small number of different private higher education institutions, e.g. polytechnics, private colleges, or branch campuses established by foreign universities.²⁷

4. France – There are 321 private higher education establishments: 68 schools of engineering, 234 business schools and specialised schools and 19 university institutes. There are also 58 private higher education establishments subsidised by the state: 29 schools of engineering, 21 business schools and specialised schools and 8 university institutes. It is often said that in France a private higher education system does not exist as such, but as a subordinate partner of public education. This fact is related to the public control over private higher education institutions.²⁸

5. Germany – There are today around 100 private higher education institutions: 66 are private institutions (13 universities, 51 universities of applied sciences and 2 colleges) and 44 Church-run institutions (16 faculties of Theology, 10 colleges of church music

²⁴ UNESCO, Trends in Global Higher Education: Tracking an Academic Revolution, Paris, 2009a, p. 82.

²⁵ Hellenic Colleges Association, Private Higher Education in Western Europe, Athens, 2007.

²⁶ Ibidem.

²⁷ Ibidem.

²⁸ Hellenic Colleges Association, Private Higher Education in Western Europe, Athens, 2007.

and 18 church-run institutions). The private higher education sector in Germany is a small one (just 3% of the student population is enrolled in private higher education institutions – in private universities and church-run institutions). They register an average of 846 students per institution.²⁹

6. Italy – Today there are 17 state-recognised private universities in Italy, fully incorporated in the Italian Higher Education system: 15 universities and 2 telematic³⁰ universities. In addition to the state-recognised universities, there is a range of non-recognised higher education establishments, generally accredited by independent accrediting organisations and/or validated by foreign universities. The number of such establishments is huge. Traditionally, private higher education institutions have played an important role in Italy.³¹

7. Portugal – Early in 2005, there were 14 private universities, 4 private polytechnics and 1 Catholic University with a specific status. Parallel to this, around 100 other private institutions (mainly post-secondary establishments) exist, although they are not recognised by the state. Today, 75% of the student population is enrolled in public institutions, whereas 25% is in the private sector.³² However, Portugal has been the Western European country with easily the largest private higher education share – and it suffered decline in private higher education from 36% to 25% between 1996 and 2006.³³

8. Spain – In terms of figures, the number of private higher education institutions has more than quadrupled: there were 5 private higher education institutions in 1990 and there are 23 today. In less than 15 years, the share of private higher education institutions relative to the total number of higher education institutions tripled so that in 2003 private higher education institutions accounted for 30% of all Spanish higher education institutions. Regarding their location, most of them are situated in Madrid and Barcelona (55% of private universities are based in these two cities).³⁴

9. Sweden – We do not speak about private universities in Sweden but independent grant-aided providers of higher education.

²⁹ Ibidem.

³⁰ Non-state universities specialised in e-learning.

³¹ Hellenic Colleges Association, *Private Higher Education in Western Europe*, Athens, 2007.

³² Ibidem.

³³ D.C.Levy, *The Decline of Private Higher Education*, HEP, 2013, no 26, p. 6.

³⁴ Hellenic Colleges Association, *Private Higher Education in Western Europe*, Athens, 2007.

There are 12 institutions of this type; all recognised by the Swedish authorities as independent higher education institutions operating under contract with the Ministry of Education, Research and Culture. There are 3 independent universities entitled to offer postgraduate programmes, 7 independent colleges and 2 independent colleges of art which are allowed to award certain degrees of undergraduate education. Parallel to this, a few private providers are also entitled to award specific programmes a qualification in psychotherapy. There are around 12 of this type.³⁵

10. The Netherlands - No official figures are available for government-approved institutions (private recognised institutions), although we found between 45 and 70. Like with other European countries, we do not speak about a private higher education sector in the Netherlands. The education system comprises government-funded (public institutions), government-approved (private institutions) and other private providers that are not officially recognised by the authorities. They are mostly accredited by independent accrediting bodies or validated by foreign universities.³⁶

11. The United Kingdom - There is only one private university in the UK: the University of Buckingham. It receives no direct government funding. However, over 550 colleges and other institutions are recognised by UK authorities as being able to offer courses leading to degrees of a recognised institution. In order for a college to offer a university programme, it must have established cooperation with a university in the UK. The colleges that have such cooperation in place are usually called Colleges of Higher Education. The number of these institutions (of higher and post-secondary education) is estimated at 3,000 in the UK.³⁷

3.3.3. Western Balkans

Throughout most countries of the Balkan region, there has been a boom in new private (and state-run) universities. In Serbia, there are some 17 universities, plus a number of independent 'faculties', i.e. departments. With only one-quarter of the population, Macedonia has approximately the same number of universities. Bosnia beats both Serbia and Macedonia with

³⁵ Ibidem.

³⁶ Ibidem.

³⁷ Ibidem.

the number of state (or better entity and cantonal) universities: nine (including two in Sarajevo, Mostar) and around the same number of private universities. Kosovo is lagging behind with just two public universities (and the second one in Prizren is still relatively new) and less than ten private universities. The regional winner seems to be Albania with over 10 public and over 30 private universities. There are approximately as many private universities in the Balkan region as there are in the entire European Union put together (minus Romania, which also has dozens of private universities).³⁸

Some of these institutions are certainly on their way to establishing themselves as serious places of higher education. Many others have a distinctly dubious existence. Some private universities in the Balkan region are:

1. European Vision University (Pristina, Kosovo)
2. International University of Travnik (Bosnia)
3. Pan-European University "APEIRON" (Banja Luka, BiH)
4. Crystal University (Highway Tirana-Durres, Albania)
5. Synergy University (Bijelina, BiH)
6. UFO University (Tirana, Albania)
7. International University of Struga (Macedonia)
8. International University of Novi Pazar (Serbia)
9. Megatrend University (Belgrade, Serbia)
10. University of Donja Gorica (UDG) (Montenegro)
11. Iliria Royal University (Prishtina, Kosovo)
12. Slobomir P University (Slobomir, Bosnia)³⁹

3.4. Africa

Notwithstanding its private precursors (including colonial ones), sub-Saharan Africa has come late to modern private higher education but the growth there is notable. Most countries host private institutions, with Anglophone Africa greatly outpacing Francophone Africa. Kenya, Nigeria, Uganda and others are among the countries with important private sectors, yet most countries' private share remains comparatively small. Kenya,

³⁸ BalkanInsight, *New Universities in the Balkans: European Visions, UFOs and Megatrends*, Florian Bieber, <http://www.balkaninsight.com/en/blog/new-universities-in-the-balkans-european-visions-ufos-and-megatrends> (25.03.2013).

³⁹ Ibidem.

having ascended to one-fifth private, is a rare African example of slippage that is not due to demographics so much as public universities taking in 'private' paying students. Nowhere in Africa does the private sector make up more than one-quarter of total higher education enrolment. Yet the sector is growing and garnering more and more attention. Beginning to register private higher education enrolment is the Middle East (and North Africa). 'American universities' have dotted the horizon in Egypt, Jordan, Lebanon and elsewhere, with Kurdistan also joining this group. Israel was one of the first countries in the region to allow the development of a private sector. Turkey hosted private institutions until the 1970s, when they were closed down; this sector is re-emerging anew only recently. Arab governments plan and promote private universities, often through agreements with European and US universities. The private surge across the gamut of political regimes is astonishing, as shown by Egypt, Oman, Saudi Arabia and Syria.⁴⁰

4. Future

Although private higher education has long held historical significance, until recently its role was quite small in many higher education systems. However, during the last few decades this situation has changed significantly, mainly due to the massive and continuous expansion of higher education around the world. In many parts of the world, the promotion of private higher education has emerged as a viable policy alternative to the often over-stretched public sector. Although in some cases it has been seen as a transitory phenomenon, the evidence seems to suggest that private higher education is becoming a permanent feature of the higher education landscape. Arguably the most important feature of the future perspectives facing private higher education is that it is likely to become a more necessary part of the higher education arena in coming years. One of the most likely responses to financial challenges will involve a strengthening of market mechanisms in higher education, namely by increasing the *privateness* of the system. In those countries where enrolment patterns are still growing rapidly, the expansion of

⁴⁰ UNESCO, Trends in Global Higher Education: Tracking an Academic Revolution, Paris, 2009a, pp. 81-2.

the private sector will tend to focus on the absorption of unfulfilled demand. Private institutions tend to position themselves as an elite alternative to the mass public system, rather than as a second-choice for those who could not get a place in the latter. The consolidation of the private sector and its battle for growing acceptance is linked with another potential force of differentiation among private higher education institutions, namely a stronger commitment to research activities. Levy has documented a visible trend towards the more active role of the private sector in the social sciences and in the analysis of public policies. Although many private institutions emerged in contexts of the rapid expansion of higher education demand, many private institutions are already facing a more adverse situation where demand has dipped due to changes in demographic trends. Accordingly, they have to demonstrate a significant capacity to attract students and, as a result, the quality of their programmes will become of greater concern. Overall, it is an ambition of many private institutions to attain treatment similar to that awarded to most public institutions. Overall, one cannot help but expect that the role of private higher education in mass higher education systems will be strengthened in the coming years. The challenges for policymakers will be to learn how to use this rapidly expanding sector in the best possible manner, to steer it in a way that contributes to social welfare and fulfils social expectations regarding the higher education sector. This will only be possible if governments are able to develop an integrated view of the higher education system in which different types of institutions can coexist. While this may be easier said than done, this will be one of the key future challenges facing higher education policy in many parts of the world.⁴¹

⁴¹ OECD, Higher Education to 2030, Volume 2 Globalisation, Paris, 2009, p. 254-7.

5. Graphs

5.1 Students in Tertiary Education 2006⁴²

	Total number of students	Public institutions (%)	Government dependent private institutions (%)	Independent private institutions (%)
Australia	1 040 153	97.8	0.3	1.9
Austria	253 139	86.7	13.3	0.0
Belgium	394 427	44.6	55.4	0.0
Canada	1 014 837	100.0	0,00	0.0
Czech Republic	337 405	92.3	3.0	7.7
Denmark	228 893	98.1	1.9	0.0
Finland	308 966	89.5	10.5	0.0
France	2 201 201	83.4	2.5	14.0
Germany	2 289 465	91.1	9.0	0.0
Greece	653 003	100.0	0.0	0.0
Hungary	438 702	85.0	15.0	0.0
Iceland	15 721	80.3	19.7	0.0
Ireland	186 044	92.1	0.0	7.9
Italy	2 029 023	92.8	0.0	7.2
Japan	4 084 861	20.1	0,00	79.9
Korea	3 204 036	19.9	0.0	80.1
Luxembourg	2 692	100.0	0.0	0.0
Mexico	2 446 726	67.3	0.0	32.7
New Zealand	23 778 262	90.9	9.1	0.0
Norway	214 711	86.4	13.6	0.0
Poland	2 145 687	69.2	0.0	30.8
Portugal	367 312	75.0	0.0	25.0
Slovak Republic	197 943	95.6	0.2	4.2
Spain	1 789 254	86.6	2.1	11.3
Sweden	422 614	92.2	7.8	0.0
Switzerland	204 999	81.4	11.5	7.1
Turkey	2 342 898	95.2	0.0	4.8
United Kingdom	2 336 111	0.0	100.0	0.0
United States	17 487 475	74.5	0.0	25.5

Source: OECD Education Database.

⁴² OECD, Higher Education to 2030, Volume 2 Globalisation, Paris, 2009, p. 240.

5.2 Students in Tertiary Education 2009⁴³

Table C1.5. Students in tertiary education, by type of institution or mode of enrolment (2009)
Distribution of students, by mode of enrolment, type of institution and programme destination

	Type of institution							Mode of study						
	Tertiary-type B education			Tertiary-type A and advanced research programmes				Tertiary-type B education			Tertiary-type A and advanced research programmes			
	Public	Government-dependent private	Independent private	Public	Government-dependent private	Independent private	Full-time Men + Women	Part-time			Full-time Men + Women	Part-time		
								M + W	Men	Women		M + W	Men	Women
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
OECD														
Australia	84.2	4.0	11.8	96.2	a	3.8	48.1	51.9	51.0	52.6	70.5	29.5	27.9	30.7
Austria	70.3	29.7	x(2)	84.8	15.2	x(5)	m	m	m	m	m	m	m	m
Belgium ¹	44.2	55.8	m	41.8	58.2	m	62.4	37.6	40.1	35.8	82.9	17.1	18.9	15.4
Canada ²	m	m	m	m	m	m	75.7	24.3	20.6	27.2	81.9	18.1	17.4	18.5
Chile	8.9	2.6	88.5	29.0	23.2	47.8	m	m	m	m	m	m	m	m
Czech Republic	67.3	30.3	2.4	87.1	a	12.9	88.9	11.1	13.3	10.2	97.0	3.0	1.9	3.9
Denmark	98.9	0.5	0.6	98.2	1.8	n	62.8	37.2	33.6	41.0	90.7	9.3	8.5	9.9
Estonia	46.6	16.9	36.5	0.2	91.2	8.6	89.7	10.3	12.6	8.9	86.0	14.0	18.1	11.5
Finland	100.0	n	a	83.7	16.3	a	100.0	a	a	a	56.2	43.8	50.2	38.4
France	70.0	8.4	21.6	85.0	0.8	14.2	m	m	m	m	m	m	m	m
Germany ³	57.5	42.5	x(2)	94.6	5.4	x(5)	87.7	12.3	23.6	7.0	95.2	4.8	5.3	4.4
Greece	100.0	a	a	100.0	a	a	100.0	a	a	a	100.0	a	a	a
Hungary	54.2	45.8	a	86.4	13.6	a	72.2	27.8	21.0	31.2	63.0	37.0	32.3	40.7
Iceland	30.5	69.5	n	79.5	20.5	n	31.1	68.9	82.0	50.7	75.5	24.5	20.9	26.5
Ireland	97.6	a	2.4	96.6	a	3.4	67.7	32.3	27.0	38.6	87.5	12.5	12.5	12.5
Israel	33.6	66.4	a	9.3	77.4	13.3	100.0	a	a	a	81.0	18.4	17.7	20.0
Italy	87.2	a	12.8	92.4	a	7.6	100.0	a	a	a	100.0	a	a	a
Japan	7.8	a	92.2	24.6	a	75.4	96.9	3.1	2.2	3.6	90.7	9.3	7.2	12.4
Korea	3.3	a	96.7	24.6	a	75.4	m	m	m	m	m	m	m	m
Luxembourg	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Mexico	95.5	a	4.5	65.9	a	34.1	100.0	a	a	a	100.0	a	a	a
Netherlands	m	a	m	m	a	m	34.5	65.5	56.3	72.4	85.6	14.4	13.4	15.2
New Zealand	59.4	30.8	9.8	96.5	2.6	0.9	39.4	60.6	56.9	63.6	59.5	40.5	37.8	42.4
Norway	43.2	56.8	x(2)	85.8	14.2	x(5)	55.6	44.4	28.0	54.1	69.4	30.6	27.3	32.6
Poland	74.9	a	25.1	66.6	a	33.4	70.4	29.6	30.9	29.3	44.7	55.3	53.6	56.6
Portugal	97.0	a	3.0	75.7	a	24.3	m	m	m	m	m	m	m	m
Slovak Republic	81.9	18.1	n	86.7	n	13.3	76.0	24.0	16.7	28.1	62.1	37.9	31.4	42.1
Slovenia	80.2	4.4	15.4	91.6	5.0	3.4	53.5	46.5	45.3	47.7	74.9	25.1	25.9	24.7
Spain	79.7	14.6	5.7	89.7	n	10.3	95.9	4.1	2.7	5.4	71.3	28.7	30.9	26.9
Sweden	58.4	41.6	n	93.1	6.9	n	91.6	8.4	9.7	7.3	47.4	52.6	50.4	54.1
Switzerland	34.0	35.3	30.7	95.3	3.1	1.6	27.4	72.6	77.9	67.1	89.3	10.7	12.7	8.8
Turkey	96.4	a	3.6	93.4	a	6.6	100.0	n	n	n	100.0	n	n	n
United Kingdom	a	100.0	n	a	100.0	n	24.4	75.6	75.7	75.5	74.9	25.1	22.9	26.9
United States	79.1	a	20.9	71.5	a	28.5	47.3	52.7	51.9	53.2	65.5	34.5	32.0	36.4
OECD average	61.6	20.7	17.7	70.7	14.0	15.3	71.4	28.6	27.8	28.9	78.7	21.3	20.6	21.8
EU21 average	71.8	20.4	7.8	76.2	15.7	8.2	75.2	24.8	24.0	25.8	77.6	22.4	22.1	22.5
Other G20														
Argentina ²	58.7	17.1	24.2	79.8	a	20.2	93.6	6.4	8.2	5.5	51.9	48.1	48.0	47.5
Brazil	15.0	a	85.0	27.5	a	72.5	m	m	m	m	m	m	m	m
China	m	m	m	m	m	m	70.3	29.7	31.0	28.5	75.9	24.1	24.3	24.0
India	m	m	m	m	m	m	100.0	n	n	n	100.0	n	n	n
Indonesia	47.9	a	52.1	38.3	a	61.7	100.0	a	a	a	100.0	a	a	a
Russian Federation ³	95.2	a	4.8	83.1	a	16.9	69.9	30.1	31.0	29.3	50.8	49.2	44.0	53.3
Saudi Arabia	m	m	m	m	m	m	m	m	m	m	m	m	m	m
South Africa	m	m	m	m	m	m	m	m	m	m	m	m	m	m
G20 average	m	m	m	m	m	m	79.6	20.4	21.1	20.2	82.7	17.3	16.4	18.2

1. Excludes independent private institutions.

2. Year of reference 2008.

3. Excludes advanced research programmes.

Source: OECD. Argentina, China, India, Indonesia: UNESCO Institute for Statistics (World Education Indicators Programme). See Annex 3 for notes (www.oecd.org/edu/eag2011).

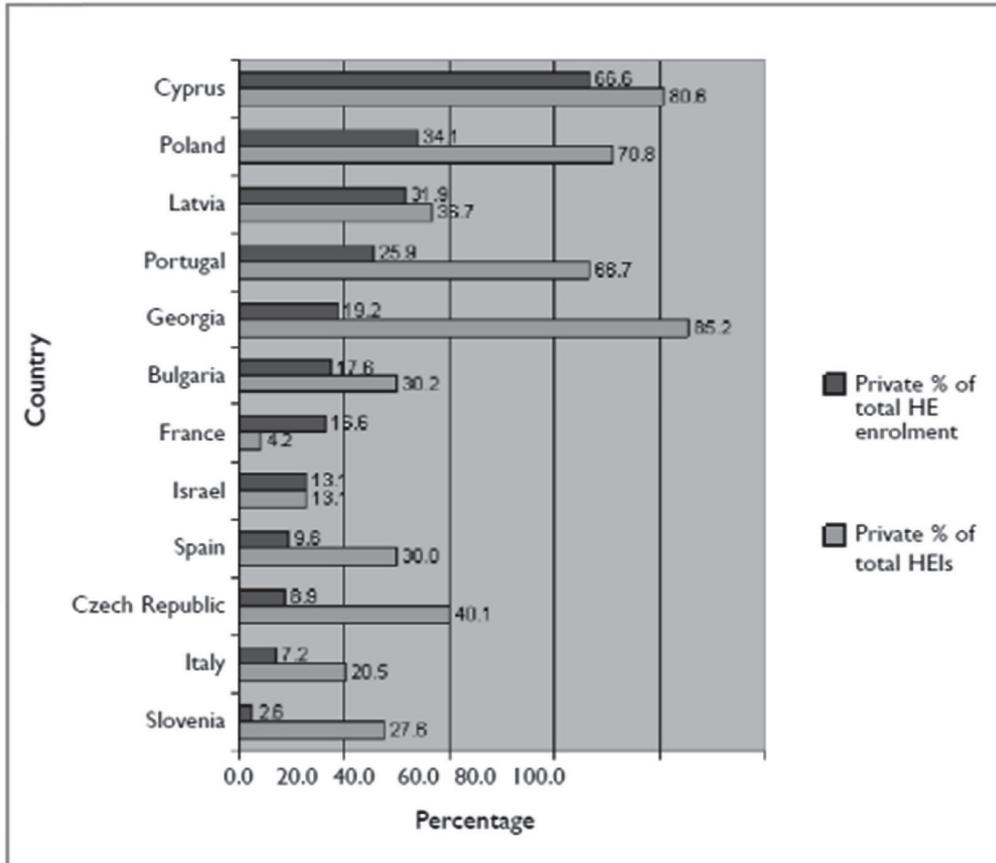
Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

StatLink  <http://dx.doi.org/10.1787/888932464353>

⁴³ OECD, Education at a Glance 2011: OECD Indicators, Paris, 2011, p. 307.

5.3 Europe's Private Enrolment⁴⁴

Europe's private enrolment and institutional shares by country (2003-2009)



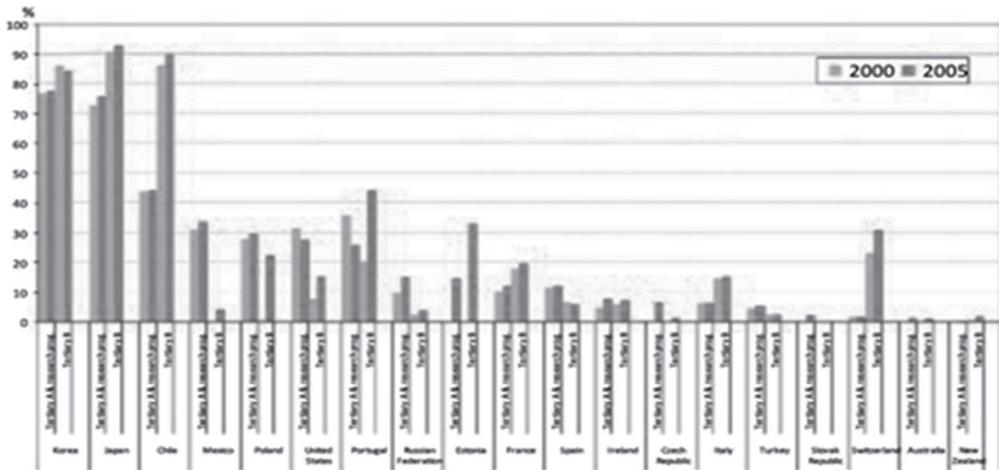
Source: International Databases, Program for Research on Private Higher Education (PROPHE), available [on-line] at

<http://www.albany.edu/dept/eaps/prophe/data/international.html>. The site provides data on more countries, along with individual sources and caveats.

⁴⁴ UNESCO, A New Dynamic: Private Higher Education, Paris, 2009b, p. 12.

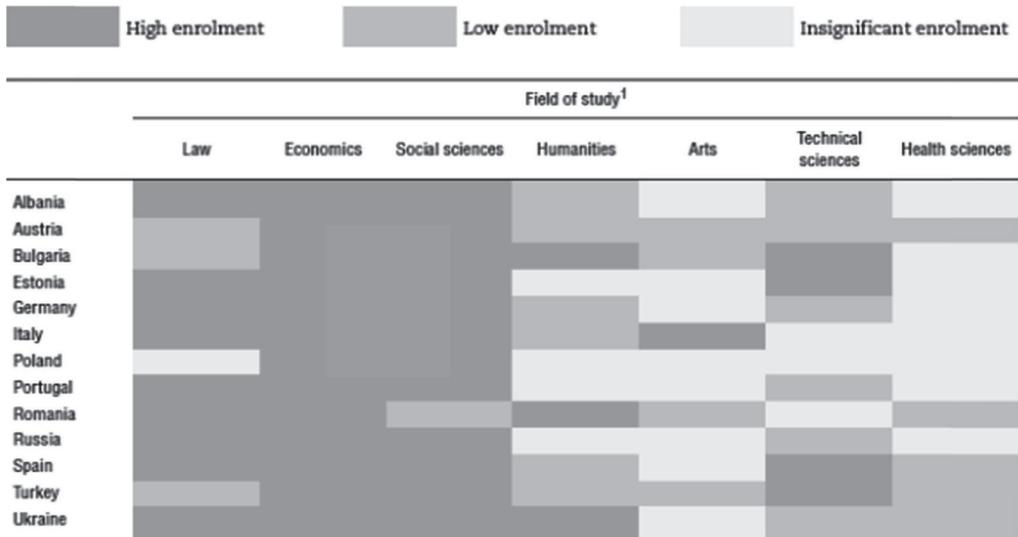
5.4 Proportion of Private Enrolment⁴⁵

Proportion of tertiary education students enrolled in independent private institutions



5.5 Study Fields⁴⁶

Most common/popular study fields in private higher education institutions in selected countries



1. Economics includes business, commerce, finance, and banking. Social sciences include political science, administration and management, international relations, pedagogy, psychology, and sociology. Technical sciences include information technology, engineering, architecture, biotechnology, transportation, and mathematics.

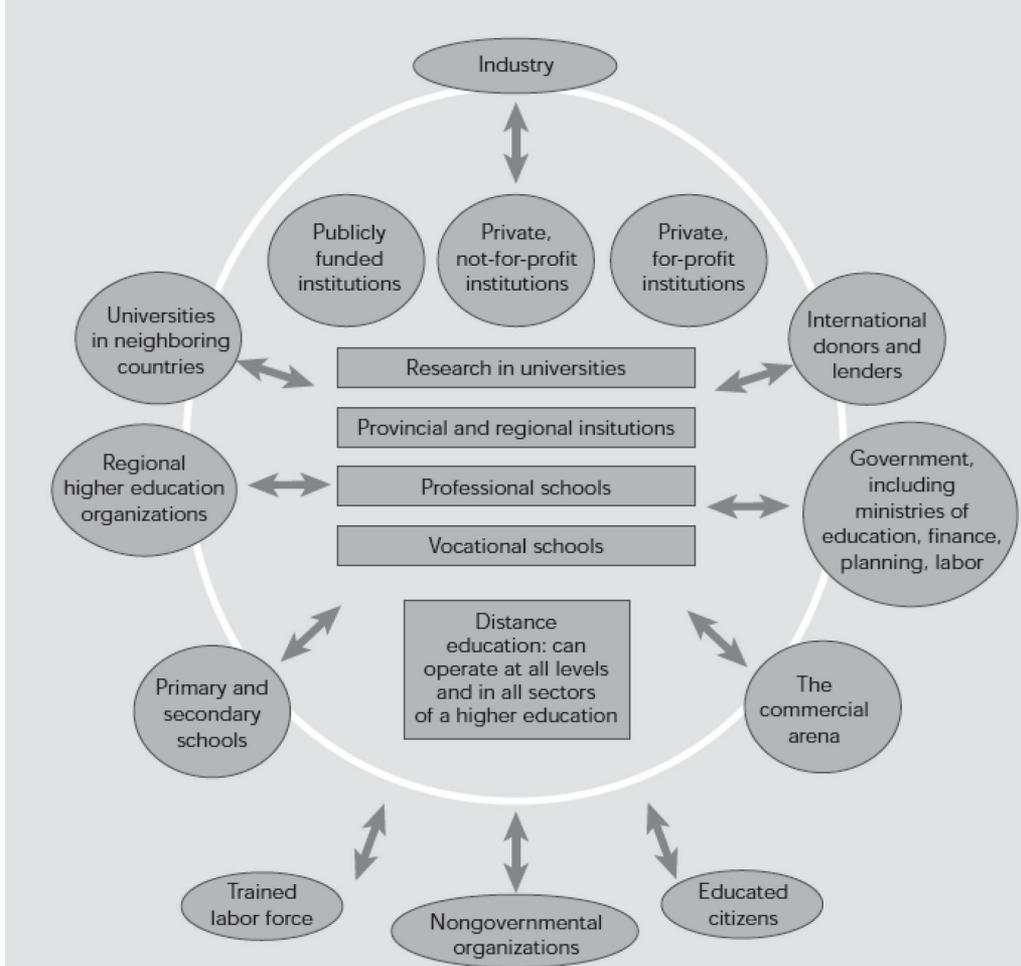
Source: UNESCO-CEPES project on Private Higher Education in Europe (2005), in Wells et al. (2007).

⁴⁵ OECD, Tertiary Education for the Knowledge Society, <http://www.oecd.org/edu/skills-beyond-school/tertiaryeducationfortheknowledgesocietyvolume1specialfeaturesgovernancefundingquality-volume2specialfeaturesequityinnovationlabourmarketinternationalisation.htm> (23.03.2013).

⁴⁶ OECD, Higher Education to 2030, Volume 2 Globalisation, Paris, 2009, p. 252.

5.6 Higher Education System⁴⁷

Schematic Representation of a Differentiated Higher Education System



⁴⁷ World Bank, Higher Education in Developing Countries: Peril and Promise, Washington D.C., 2000, p. 47.

5.7 Higher Education Development⁴⁸

Main features in development of private and public higher education provision in a global scale

Development of private provision			Time line	Development of public provision		
Features	Regional focus	Driving factors		Driving factors	Regional focus	Features
First modern wave of private universities	Latin-America	Influence of the Catholic Church	18th century	Growth of the modern state – Need for trained elites	Continental Europe	Establishment and/or visible regulation of institutions by public authorities
	North-America	Influence of protestant denominations				
Development of private higher education	Asia	Influence of missionary colleges and increasing westernisation	19th century	Quest for national homogenisation – Increasing need for qualified personnel	Europe – Latin America – Arab countries	Increased State control over higher education institutions
Resurgence of Catholic Universities	Latin-America	Addressing growing secularisation	20th century	<i>First half</i>	20th century	Acknowledgement of the strategic importance of higher education – Increasing need for qualified personnel
				<i>Post-Second World War decades</i>		
Emergence or rapid growth of private higher education	Eastern, central and southern Europe – Latin America – South-East Asia – Africa	Budgetary constraints – Demand for access and high private rates of return – Quest for increased efficiency		<i>Recent decades</i>		

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⁴⁸ OECD, Higher Education to 2030, Volume 2 Globalisation, Paris, 2009, p. 246.

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