staff and students working or studying abroad. The UK government has always been a strong advocate for focussing on excellence as the only basis for funding research. It would be difficult to see the United Kingdom channelling funds toward research infrastructure capacity building among other Commonwealth nations, especially in a hard Brexit scenario where the United Kingdom no longer has access to the EU framework programs and finds itself competing with the European Union from the outside.

Universities as Masters of Their Own Destinies?

Based on research conducted at the Centre for Global Higher Education under the "Brexit, trade, migration, and higher education" project, at the leadership level, UK research intensive universities are keen to enter into comprehensive strategic partnerships including both research collaboration and mobility opportunities with highly ranked universities where a range of modules are taught in English, as they see these partnerships as a reflection of their own standing and reputation. This could lead to a small group of European and international universities becoming overwhelmed with requests from British universities to enter into strategic alliances, as the list of such overseas institutions is exhaustive. Large research intensive universities ranked in the top 100 in Australia, Canada, Germany, the Netherlands, New Zealand, Scandinavia, Singapore, and the United States are all considered priority partners. This rationalization of institutional, university-wide arrangements could further push both mobility flows and research collaboration to take place exclusively between so-called "like-minded" universities located predominantly in the Western world, creating ring-fenced alliances of institutions according to research intensity and rank. This "club" syndrome has partly been avoided in Europe because of the plethora of bottom-up arrangements agreed under Erasmus+, based on individual connections, and the relative freedom academics had in setting up their own exchanges and research partnerships. In the era of the corporate university, and because of Brexit-related uncertainty, this is increasingly no longer an option for UK universities.

Conclusion

In the two years that have passed since the Brexit referendum, the government has clarified little with regard to the United Kingdom's participation in Erasmus+ and "Horizon Europe." UK universities are concerned by the high level of ongoing uncertainty. Universities have a duty toward their students who enroll for a period of three to four years—with a recruitment cycle starting a year before—and toward their researchers working on collaborative projects for which application rounds will commence shortly. Certainty is a necessity as degree programs must be taught out, and because quality research proposals require unequivocal eligibility. Universities are looking to strengthen their institution-wide partnerships with European and overseas universities in order to remain internationally oriented and push away the specter of an isolated, inward-looking island. The UK government expects its universities to feed into the narrative of a "Global Britain," but without providing any enabling framework. ■

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The Consolidation of Chinese Private Higher Education

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Higher education as an industry is facing unprecedented worldwide challenges due to an increase in competition and the need for greater efficiency. In China, the private sector in higher education is witnessing a trend of convergence by acquisitions, i.e., private educational groups acquiring other private institutions.

The Golden Age of the Education Market

China is the world's largest higher education market, followed by India and the United States. The total student enrollment in higher education in China reached 37 million in 2016. A burgeoning middle-class society presents vast opportunities for the industry and higher education has become a key area for investment in China. A report by Deloitte refers to the "golden age of the Chinese education market." There has been a rapid increase of private capital flowing into the education industry in terms of both amount and frequency. According to Deloitte, in 2015 the amount of investment in the Chinese education industry was over twice that in 2014; the total amount of mergers and acquisitions increased by 165 percent year on year; and initial public offerings (IPOs) increased by 76 percent from the previous year.

According to Frost & Sullivan, the total revenue of the Chinese private higher education industry has been increasing steadily from RMB 69.6 billion (US$10.11 billion) in 2012 to RMB 95.4 billion (US$13.86 billion) in 2016 and is expected to further increase to RMB 139.0 billion (US$20.2 billion) in 2021. The total number of students enrolled in private higher education in China increased from 5.3 million in 2012 to 6.3 million in 2016 and is expected to further increase to 8.0 million in 2021. Currently, about 22 percent of students in higher education are studying at private institutions. In three years' time, this is expected to increase to 24 percent.

The Chinese government has invested greatly in improving basic and secondary education in terms of access and quality and is achieving very encouraging results. In higher education and vocational education, however, there is still a need for more affordable and quality education services offered by reliable private education providers. There are currently over 740 private higher education institutions in China, and thousands of private vocational and technical schools, most of which are founded, sponsored, and operated by individuals. There is much room for improvement in efficiency and instructional quality at many of these institutions. China's fragmented private higher education industry is expected to undergo a wave of consolidation over the next decade, and the consolidation is expected to further promote students' access to quality education, create more opportunities for employment, and boost shared and sustainable prosperity in regional economies.

Another feature of the higher education sector in China is that it has extremely high entry barriers.

Another feature of the higher education sector in China is that it has extremely high entry barriers. One such barrier is the requirement to possess land and buildings. Elsewhere in the world, it is not uncommon for universities to operate on leased land and buildings, but in China land and building ownership is often a prerequisite to obtain a license to operate. This has serious implications for capital expenditure and for the time needed to prepare the application for license. Acquisitions thus offer an efficient point of market entry compared with creating new schools.

Other industries—including healthcare, banking, automobiles, and electronics—have seen waves of mergers and acquisitions. While circumstances may vary, the objective of these activities is generally similar to what we would expect to see in higher education: specifically, to ensure continued growth and impact, greater efficiency, greater economies of scale, and improved quality, reputation, and competitiveness.

Acquisitions Reach Record Highs

Acquisition activity in private higher education in China has recently reached record highs, and the momentum continues as higher education groups compete for market share. China Education Group became a listed company in Hong Kong in December 2017. Four cornerstone investors subscribed to the IPO of the company, including the International Finance Corporation of the World Bank, the Singapore Government Investment Corporation, the Chinese private equity firm Greenwoods, and Value Partners of Hong Kong. In the six months since its listing, its share price has increased by over 80 percent.

As the industry consolidates and competition heats up, the large players—which tend to have strong balance sheets—are expected to step up schools acquisitions to further enhance competitiveness. China Education Group raised $420 million in its IPO. Three months later, the group acquired two schools in Zhengzhou and Xi'an in China. Zhengzhou School is China's largest vocational school with 24,000 students. Its size is equal to that of the second to the fifth largest schools combined. Meanwhile, Xi'an School is China's largest technical college with 20,000 students. Zhengzhou is the heart of Central China and Xi'an is the heart of Western China. Regional economies are growing rapidly and there is significant demand for quality education in those areas.

Integration Is Key to Success

Extensive research is required to identify schools with the greatest growth potential for acquisition. Private education groups normally evaluate schools based on their location, degree level, size, and subject areas, among other factors.

For any industry, integrating the acquired organizations to attain the intended acquisition objectives poses immense challenges. In fact, a large majority of mergers and acquisitions fail to achieve their hoped-for benefits. Some estimates put the success rate at less than 20 percent. China Education Group has a proven record of promoting its schools to be the top players in their respective categories and has earned the International Standards Organization's ISO9001 certification for its education management system. Its two universities have been ranked No 1 private university in China for nine straight years and No 1 private university in Guangdong province for 10 straight years, respectively.

Taking course development as an example, a newly acquired school may establish new programs with resources and experience from other schools in the education group, hence reducing the time and cost necessary for course development at the new school. Therefore, merged schools can benefit from increased enrollment, size, and programmatic diversity.

Looking ahead, markets are seeing an increasing demand for graduates with professional skills. According to Frost & Sullivan, the proportion of fresh higher education graduates among the overall young unemployed population in China has grown from 35 percent in 2005 to 45 percent in 2016. In order to stand out, private universities need to bolster their reputations by focusing on career-oriented education. The success of these acquisitions in the industry will depend on the ability of educational companies to leverage their resources to help the acquired schools meet the market's ever-changing needs. ■

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Family-Owned Private Higher Education Institutions in Africa

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The increasing surge of private higher education institutions (PHEIs) in Africa over the last two decades includes a largely uninvestigated species of institutions owned by individuals or families. Little has been written about these types of private institutions at either the global or regional level. This article broadly explores family-owned institutions in Africa where the literature on PHE itself still remains meager and poorly organized.

Degree of Presence

The number of family-owned institutions in Africa is currently increasing despite the overwhelming presence of religious PHEIs in many countries of the continent. This new development may be partly attributed to the rise of the for-profit sector over the last two decades.

The presence of family-owned institutions can be influenced by the dominant type of private institutions operating in a given country. Their availability in countries such as Congo, Kenya, Liberia, Nigeria, Tanzania, and Zimbabwe, which are dominated by religious PHEIs, is still limited but growing. Indeed, the categories of "religious" and "family-owned" are not mutually exclusive, as some families or individuals are involved in the establishment and/or ownership of religious (and other nonprofit) PHEIs.

Yet it is especially in countries such as Benin, Botswana, Ghana, Egypt, Ethiopia, Mozambique, Senegal, South Africa, Sudan, and Uganda, where the for-profit sector is gaining ground against religious PHEIs, that the family-owned phenomenon is especially strong. Where for-profit private institutions are legally allowed, they may provide ample opportunities for individual/family ownership to thrive. Ethiopia represents an extreme case, as the bulk of PHEIs (more than 90 percent of 130 accredited institutions) are owned by families and individual proprietors with profit motives. In contrast, in many countries family-owned institutions might not exceed 3–5 percent of PHEIs.

Nature of Institutions

Most family-owned institutions in Africa exist as nonuniversity or professional schools with vocational orientations. Nonuniversity PHEIs are, for instance, most common in Botswana, Lesotho, South Africa, and Tunisia as compared to Ivory Coast, Kenya, Nigeria, Tanzania, and Uganda, where private universities are available. In most cases, family-owned PHEIs with business orientations share the characteristics of demand absorbing, for-profit institutions. Most are small in size and offer programs designed to respond to market demands. Aside from the initial investment of their proprietors, they are heavily dependent on student fees, with little or no external support or income-generating activities. This heavy dependence on student fees can influence the way they are structured and managed.

Whereas academically excellent private institutions in Africa are most often religious, the majority of family-owned institutions are teaching institutions with little involvement in research and graduate studies. However, there are exceptions, as in the case of Morocco where government policy encourages PHEIs to assume elite status. Though quite few, there are also family-owned institutions in Ghana and Ethiopia that have succeeded in achieving a high level of credibility in terms of program quality.

Strengths and Deficiencies

The wider acceptance of family-owned PHEIs is deter-