

mand for modern, hands-on, practical training in business and technology majors. The schools are free to offer innovative curricula, unconstrained by bureaucratic demands to adhere to an outdated, set program. They usually offer more appealing learning environments that are free of political conflict and physical decay. And they have caused public universities to take a closer look at their own responsiveness to the needs of students and the market. The top public university, Quaid-i-Azam University in Islamabad, while ensuring merit-based access and virtually free education for most students, has enacted a policy of setting aside a quota of places in its MBA program for students paying full tuition (over \$1,200 per year) in order to increase revenue. This will probably result in a greater effort to raise standards and make the program competitive with the top private ones. This scheme is being offered at the International Islamic University as well, and will be introduced in other public universities throughout the country.

The rise of private education in countries such as Pakistan, where the state is unable to provide and regulate adequate social services and to oversee the functioning of the market, is certainly a two-edged sword.

The rise of private education in countries such as Pakistan, where the state is unable to provide and regulate adequate social services and to oversee the functioning of the market, is certainly a two-edged sword. Will the current anarchic and exploitative nature of much of private higher education be stemmed by legal constraints and weeded out by market forces and be replaced by a quality option that will also stimulate the public institutions to needed reform? Or will it deepen the frustration of most Pakistanis seeking higher education who are disillusioned with public education, but who see the quality option as the privilege of the wealthy? In Pakistan, the future of private higher education will depend on the existence of a strong state dedicated to maintaining social, economic, and political order.

Internet Resource

For more information on international issues in higher education, visit the Center's web site, located at:

http://www.bc.edu/bc_org/avp/soe/cihe/

Private Higher Education in Hungary

Judit Nagy-Darvas

Judit Nagy-Darvas is a research fellow at the Hungarian Institute for Educational Research. Address: Hungarian Institute for Educational Research, Budapest, Verhalom u. 18/a H-1023, Hungary.

Introduction

In recent years, Hungarian higher education reform has focused on one basic objective: the shift from a reliance on central planning to a system characterized by more effective mechanisms of serving social (e.g., unemployment and a population with new skills and ways of thinking about the world) and economic needs (an emerging market economy). Expansion in student volume has been a priority in this effort.

Prior to 1989, Hungary's higher education system was small and elitist. Today, among European Economic Community (EEC) countries, Hungary's aggregate student population has experienced one of the largest expansions of the last decade. The number of full-time students has doubled, from 64,000 to more than 140,000, a figure representing only 16 percent of the 18-to-22 age group (as the system cannot admit even half of its applicants).

The growth of private higher education in Hungary is an important element in the effort to train students in fields now greatly in demand. Also, the private sector is expected to help achieve national targets for increased enrollments, but without a concomitant increase in state support.

Among the 33 nonstate higher education institutions, 5 universities and 23 colleges are church owned, and five colleges were established through private foundations.

Private-Sector Characteristics

Among the 33 nonstate higher education institutions, 5 universities and 23 colleges are church owned, and five colleges were established through private foundations. Despite the relatively small size of the nonstate higher education sector and some regulatory constraints on development, its enrollment has increased significantly during the last three to four years. The total number of students in nonstate higher education is around 25,000 at present, a number representing nearly 12 percent of total student

enrollment. Considered alongside all nonstate higher education institutions, the increase in enrollment is highest among colleges established by foundations.

Prior to 1989, Hungary's higher education system was small and elitist.

Church and foundation-run private schools have significantly different profiles—in degree of political influence and in organizational, academic, and financial strategies. For instance, church-owned institutions focus primarily on religious and theological training, rather than humanities, teacher training, or social work programs. Out of 28 church institutions, only 7 (2 universities, 2 theological academies, and 3 teacher training colleges) conduct nontheological training. The teacher training colleges train first through fourth grade primary school teachers and are financed entirely by the state. The 2 universities have arts and science faculties. One has a law faculty. To date, the diversification of programs at church-owned colleges and universities and the extension of their profiles into nonreligious programs have not been significant. This may partly be explained by their traditional charters and cautious strategies, but slow state accreditation and authorization processes are clearly also a factor. Compared with state institutions, church-owned universities and colleges have a much higher percentage of part-time faculty. Much of their teaching staff are drawn from faculty at state institutions, where, compared to the emerging and fragile private sector, teachers have had “stable,” long-term appointments. Church-sponsored higher education institutions continuously seek and receive state support either through informal lobbying or through official state-church agreements. Their general strategy is to gain support equaling that of state higher education institutions.

Private institutions, supported through foundations, try to fulfill regional and community development functions. Their training programs have a strong focus on present and future professional labor market needs, for instance, computer literacy, managerial and business training, or foreign language skills. These fields also promise higher than average starting salaries. This is important in a country where the relative equity in salaries is long past. Private institutions seek equal recognition, but not necessarily equal support from public resources.

Hungary's 5 foundation colleges currently train 13,365 students, an amount greater than the 28 church schools combined. Graduates' employment opportunities are a high priority for foundation college leaders, and they pursue various strategies to enhance prospects for their students

in the labor market. Foundation colleges are also characterized by higher student-teacher and student-staff ratios than is the case in state colleges.

Legal and Financial Environment

Nonstate higher education institutions are required to gain state recognition and approval from the parliament. In addition to the requirements state institutions must fulfill, nonstate institutions also have to show the existence of appropriate personnel, material, and financial capacities. All higher education institutions must be accredited at least once in every eight years. According to administrators of several private higher education institutions and some ministry officials, the procedure for gaining state recognition is quite long and bureaucratic. Within this environment, state institutions usually consider private institutions competitors for scarce resources, and, in the long term, decreasing student cohorts.

The government's 1995 Parliamentary Resolution on the Development of Higher Education declared a somewhat contradictory set of objectives concerning private higher education. The resolution called for neutrality between public and private sectors, and freedom to found institutions and run training programs. It also urged an increase in the role of the state in stimulating competition in the development of the academic marketplace. At the same time, however, the resolution called for overall institutional restructuring, with priorities given to larger, more integrated (public) institutions. This strategy may, even if indirectly, disfavor the establishment of new, perhaps smaller and specialized private institutions.

The government's 1995 Parliamentary Resolution on the Development of Higher Education declared a somewhat contradictory set of objectives concerning private higher education.

Neither foundation schools nor church-owned schools would have been able to initiate activities without significant initial support from a major sponsor. Most of the schools received buildings free of charge from municipalities. Operational costs in foundation schools are generally partly covered through foundations, tuition fees, and state support. Finances at church schools are less transparent, as support from the state comes partly through direct funds, and partly through churches that receive allocations from the state.

Municipalities, however, are experiencing increasing

difficulties in maintaining their own services. As a result, their participation in supporting and influencing private institutions is decreasing—a significant problem in cities where private colleges are the only higher education institutions. Further, there are no clear incentives for local businesses to invest or sponsor these schools, as their higher education sponsorship entitles them to only a limited tax deduction.

A substantial part of foundation school budgets is generated by tuition fees. Per semester tuition fees are autonomously determined by each school, the highest reaching about 200 percent of the average monthly salary. According to the 1996 Personal Income Tax Code, students or parents may deduct 30 percent of the amount state institutions charge as tuition from their taxable incomes, irrespective of whether tuition is paid in private or public schools. Private colleges do not pay taxes on tuition, but do on other revenues.

The 1997 white paper on higher education describes a coherent government development policy over the medium term (1997–2002). The paper assigns an important role to the development of private higher education, which should greatly contribute to an expansion of enrollments as well as competition in market-oriented fields of study. Nevertheless, only time will determine whether present or future governments can collect enough political leverage to implement these goals.

Private Higher Education Development in China

Yang Rui

Yang Rui is a doctoral student at the School of Social and Policy Studies in Education, University of Sydney. Address: Faculty of Education, University of Sydney, NSW 2006, Australia.

Privatization in the field of higher education is a recent and recurrent phenomenon. In China, private higher education disappeared in 1952. Today, it has been resurrected as an offshoot of the country's newfound economic expansion and diversification. Skeptics are beginning to take notice of this resurgence.

Theoretical Perspectives

The growth in Chinese private higher education has created many potential problems and provoked intense debate among interested parties on various theoretical and practical concepts. An early discussion of this topic was offered in 1987 by Pan Maoyuan. In his book *Problems and Prospects of Public and Private Higher Education Systems*, he

considers the relationship between the public and private sectors of China's higher education system.¹ It is clear that he highly values China's newly emerging, private higher education institutions because they benefit society, encourage educational fund raising, make use of intellectual resources, and serve as a means by which to recruit qualified teachers.

Private education has become an important area of inquiry in Chinese educational research.

Pan's observations quickly inspired other opinions. For example, a 1988 article by G. Z. Qin and R. Yang reviews the phenomenon of private funding in modern Chinese higher education, concluding that the rise of private higher education will be a challenge for China's higher education system.²

Wei Yitong makes the point that only by making use of the independent and flexible features of private higher education can the sector foster strengths and circumvent weaknesses. He concludes by urgently appealing for recognition of private higher education.³

Private education has become an important area of inquiry in Chinese educational research. In this effort, Xiamen University's Institute of Higher Education was mandated by China's State Education Commission to explore private higher education legislation. Their findings, outlined in the book *Studies in Nongovernmental Higher Education*, represent the first attempt to discuss the emergence, development and future trends of nongovernmental higher education in China. The book inspired a spirited debate on the subject.⁴

Most researchers accept the notion that the reappearance of private higher education in China is a direct result of the emerging market economy.⁵ Most agree that laws are required to officially recognize private higher education as an integral part of the education system.

Media Opinions

Private higher education in China is a not yet officially accepted, but growing, phenomenon. As a result, people have formed various opinions concerning its efficacy. In this effort, many rely heavily on the press to investigate new developments in private higher education.

Among active reporters, Yang Zhihan is the most prominent. He shows a concern for private higher education in China. Between January 1988 and January