

Special Focus: Private Higher Education Developments

checking depends on the severity of the penalty for cheating, the certainty that the penalty will be applied if cheating is discovered, and the thoroughness of the verification of the sample.

Conclusion

The use of means testing at the University of the Philippines represents a good summary example. Adrian Ziderman and Douglas Albrecht report in *Financing Universities in Developing Countries* (1995): "To assess financial need, the university has had to move beyond income tax returns, which often understate true ability to pay. . . . (A)pplicants must complete a twelve-page questionnaire which asks about family assets, parental occupation and education levels, and location of residence. The questionnaire itself does not stop dishonest applicants, but home visits and harsh disciplinary actions are believed to make applicants answer questions more truthfully. Home visits verify the accuracy of most reports. Several students have been expelled from the university for giving false information."

In sum, means testing for purposes of student financial aid in developing countries is subject to a number of serious practical difficulties that call into question its viability. It is particularly burdensome if attempted for large numbers of students or for student applicants drawn from across a large country. Therefore, the implementation of increased tuition fees in developing countries is likely to be hard to achieve in ways that are economically efficient and socially fair. ■

The Private Universities of Bulgaria

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Over the past decade, Bulgarian private universities have managed to establish themselves as a separate, distinct sector of the Bulgarian higher education landscape. In Bulgaria, where 247,000 students are educated at 42 universities and 46 colleges, 11.3 percent of those enrolled are at private universities.

The First Decade

Nonstate initiatives in Bulgarian higher education became possible immediately after the fall of the communist regime in 1989. The first private universities appeared in 1991, following enactment of the law on

academic autonomy. The private higher education sector grew quickly, although it never reached the expansion levels of private higher education in other postcommunist countries. In Belarus, Moldova, Poland, and Romania, for instance, student enrollments in the private sector constitute approximately 30 percent of the total student population. Between 1991 and 1995, the Bulgarian Parliament recognized five new private universities. Currently, four of them are in operation: Varna Free University (with some 9,000 students), the New Bulgarian University (with 7,500 students), Burgas Free University (with 6,600 students), and the American University in Bulgaria (with 640 students). The fifth private institution, the Slavic University in Sofia, functioned for four years before being closed down by Parliament in 1999 due to administrative irregularities.

Private institutions differ not only in many aspects from their state counterparts but also from one another. Whereas, for instance, the Free Universities of Varna and Burgas rely primarily on local support and tuition fees, the New Bulgarian University and the American University in Bulgaria are also heavily dependent on financial support from foreign donors. The latter institution is rather small, offering American-style education and differing in many aspects from other institutions discussed in this article. Throughout the 1990s, however, the private universities faced common challenges. One major difficulty was the legal vacuum in which they operated for several years. It was not until 1995 that the higher education law officially recognized private universities as institutions with different structures and modes of operation—a trend further strengthened by the 1999 changes and amendments to the law, with the recognition of the department as a basic institutional unit. The 1995 higher education law also created requirements for the establishment of other private institutions.

Another major challenge for Bulgarian private universities involved accreditation procedures. State accreditation is granted by the National Accreditation Agency and verifies that all programs and institutional structures comply with the law on higher education and the uniform state requirements. Should an institution fail to file an application for accreditation or receive a negative accreditation, the state will stop future student admissions (and terminate funding, in the case of state universities). Uniform state requirements define in detail the educational process while at the same time accommodating the familiar "old" disciplines and traditional university structures. Paradoxically, then, in their attempts to receive national accreditation, individual private institutions—with their different institutional structures, forms of governance, and programs—also had to comply with these state standards.

Finally, strong public distrust has accompanied the development of private universities in Bulgaria. Possibly with the exception of the American University in Bulgaria, all other private institutions have been viewed with reservation due to the high tuition fees they charge as well as the nontraditional programs and courses that they offer.

Achievements

Although private universities still face many challenges, their achievements in the past decade cannot be underestimated. Often they have anticipated changes that were later adopted by state institutions. It was in the private sector, for instance, where in the early 1990s the bachelor's-master's-doctoral degree structure was first applied. This degree structure was not officially introduced into Bulgarian higher education until 1995, as a part of the entire system's attempt to harmonize with European higher education structures. Private universities were also the first to use the credit system to evaluate student progress. The credit system still presents a major goal for state institutions, although its introduction has been hindered by rigid university structures and programs. Distance education was yet another accomplishment first offered at private universities. Finally, with the exception of Varna Free University, private universities were the first to institute standard admissions exams.

Private universities have also played a progressive role in introducing different modes of operation, institutional structures, and organization into the educational process, which are able to support a variety of nontraditional programs. Program flexibility and student mobility characterize all of them. Moreover, the American University and the New Bulgarian University are the only institutions in the country that offer liberal arts education—a model that up until several years ago took second place to the official educational system that provided “spiritual and physical perfection” instead of “knowledge and skills” (in the words of the former vice minister of higher education). The New Bulgarian University has been instrumental in encouraging debate concerning liberal arts as a different model of education. Finally, private universities employ market strategies in the planning and regulation of their activities and course offerings—yet another challenge facing state institutions.

Many of the accomplishments mentioned above have been made possible due to the private universities' financial autonomy from the state: unlike state universities, they are not supported by the annual state budget. Instead, they have a variety of sponsors, both national and international. In addition, most private institutions receive funds through various programs. Tuition fees are a major form of funding, set by the

institutions themselves, and are much higher than the mandatory annual tuition fees in the state sector.

Present and Future Challenges

A major weakness that private universities are attempting to address relates to their faculty profile (excepting the American University): the majority of their faculty occupy permanent positions at state universities and “travel” to a private institution to deliver lectures or seminars (these are the so-called “suitcase” or “traveling” lecturers); their contracts at the private institution are for a given period of time or number of classes. In this area, the negative consequences for the overall educational process include the lower faculty commitment to the life of the institution. A slight improvement in this situation has occurred as a result of accreditation demands: whereas in the 1999–2000 academic year 18 percent of the faculty held permanent jobs at private institutions, for the 2000–2001 academic year their numbers rose to 23 percent.

Finances are a second hurdle that these institutions must overcome. Whereas tuition fees are rising, the numbers of students capable of covering them are not. The fact that there is also no state student loan program in place makes it even more difficult for students to finance their education. The strong reliance on tuition-paying students makes the private universities overly dependent on market demand, often hampering program development in many different fields. Despite some appeals, the likelihood that the government will offer financial assistance to these institutions is rather small.

All of the existing private institutions have received their institutional accreditation.

State accreditation, mandatory for all Bulgarian institutions, is yet another issue before private universities. At present, all of the existing private institutions have received their institutional accreditation. However, they must still obtain individual program accreditation, which will remain a difficult process as long as the uniform state requirements persist in their old, inflexible form. There has been much criticism both of the state requirements and the state registry of specialties. As a result, the government is at present contemplating introducing changes to accommodate program varieties across the country.

In its short history, the Bulgarian private university sector has successfully defied the persisting government tendency to treat them more as an *addition* to the existing

higher education system than as an *alternative* to it. Once considered a place for students who failed to gain entry to state institutions of higher education, Bulgarian private institutions have managed to sustain student interest and earn greater legitimacy. ■

Faculty at Private For-Profit Universities: The University of Phoenix as a New Model?

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With 100,000 students across more than 100 campuses and learning centers, the University of Phoenix (UOP) is perhaps the most well-known example of for-profit higher education in the United States. With an academic model that is unusual by traditional standards, Phoenix caters to an exclusively adult student population in the health care, business, and education professions, using a highly structured, centrally designed curriculum. A typical undergraduate class meets four hours per week for five weeks. Required weekly “learning team” meetings outside of class give small groups of students the additional opportunity to discuss and prepare for the week’s assignments with their classmates.

Given its academic structure, it is no surprise that Phoenix employs a faculty that is similarly unusual. “Unbundling” is a term applied to the UOP model: various components of the traditional faculty role (e.g., curriculum design) are divided among different entities, while others (e.g., research) are eliminated altogether. Faculty are hired primarily to facilitate student learning in a particular course, and their term of employment begins and ends with the five-week UOP semester. Such a transient and diminished faculty role would be a source of concern at most institutions of higher education. The UOP, on the other hand, makes no apologies.

From a market perspective, Phoenix has been successful. As an education institution, it is much more difficult to evaluate. In particular, the limited role of the Phoenix faculty may raise questions about the academic values that underlie the for-profit model the institution employs. The expansion of private higher education in various regions around the world, however, suggests that a range of potential faculty models could be

adopted by these new institutions. As a model for the delivery of educational services, the UOP stands as a prominent example. Whether or not emerging institutions are organized as profit-making entities, Phoenix-like faculty roles may be employed.

Many observers of higher education will view Phoenix with suspicion because of the institution’s commitment to the bottom line. The Phoenix business model, though, is dependent on providing an educational environment that students and their employers will value. The faculty play a key role in creating this environment. At least three aspects of the UOP faculty model deserve attention.

Hiring Strategy

First, the UOP hiring strategy focuses on bringing in new faculty committed to teaching and in full agreement with the Phoenix model and philosophy. Those selected to join the teaching staff have been vetted in a rather elaborate process that begins with an information session and orientation, continues through a formal teaching demonstration and interviews with current faculty, and concludes with a training session that exposes all new faculty to the Phoenix curriculum and classroom expectations. Individuals who are ambivalent about teaching tend not to make the cut. Likewise, potential faculty members not amenable to the specific classroom structures required by UOP are screened out by this process. Phoenix employs a model of adult learning that assumes that students learn best in groups and in practical, interactive, discussion-based sessions. Faculty who believe it is important to lecture about theory unconnected to practice, for example, would not only find it difficult to be successful in the Phoenix classroom, they most likely would never pass muster to get there in the first place.

Professional Experience

Second, faculty teach part time for Phoenix and are expected to bring to the classroom the knowledge and experience from their full-time positions outside the university. In addition to accreditation-specified academic credentials, all UOP faculty members must have current professional experience in the area in which they are teaching, and they must have a full-time job other than teaching at the UOP. UOP training emphasizes that what a student learns in class Tuesday night, he or she should be able to use in the office on Wednesday morning. Faculty are encouraged to use their professional experience as a teaching tool to make explicit connections to the world of work. In this light, even aside from the cost savings important to UOP’s for-profit status, it makes sense to employ a part-time faculty. It has the practical effect of ensuring the relevance of the curriculum to industry needs. It also has the symbolic effect of making it clear to students and faculty alike that the in-