

Private Higher Education's Surprise Roles

Daniel C. Levy

Daniel C. Levy is distinguished professor and director of the Project on Research on Private Higher Education, Department of Educational Administration & Policy Studies, State University of New York at Albany. Address: Education Building, SUNY-Albany, Albany, NY 12222, USA. E-mail: <dlevy@uamail.albany.edu>.

Interest and debate greatly outstrip understanding when it comes to the roles played by the world's rapidly expanding private higher education. Depictions often simplify or otherwise mislead. One key to understanding the misunderstanding and, in turn, to addressing the subject matter more effectively, is to appreciate the surprise emergence of most private roles. Neither central policymakers nor scholars generally design or anticipate the roles. They are often shocked by the reality evolving, usually from multiple actors, activities, and choices—mostly uncoordinated within any national framework.

The characterization of surprise is particularly apt in two (commonly interrelated) settings: first, private higher education is new, growing rapidly, or changing form and, second, its roles are mostly distinctive from those in public higher education. Of course, it is important to recognize and explore places where there is less surprise and more central steering. But surprise is salient even where private higher education is not new or highly distinctive—and it is salient across most different types of private higher education institutions (commercial, elite, religious, for- and nonprofit, etc.). Thus, the theme of surprise is widely applicable. However, this article must limit itself to a sketch related to the dimension of private-sector newness (the first point, above).

The Postcommunist and Developing Worlds

Even if surprise characterized only systems with fresh private sectors, the characterization would be significant because these cover so much of the postcommunist (economically speaking, whether there is political revolution or continuity) and developing worlds. Many of these countries had only limited experience with even public-sector differentiation of institutional forms and missions. Most have had traditional realities or at least influential myths of standardized institutional roles and practices, often set by national policy. This is then where private development has usually seemed most shocking. Sub-Saharan Africa now provides many examples, whereas private higher education was rare there until at least the 1980s, usually until the 1990s.

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policy per se. It results more from dramatic or "neoliberal" economic change. This change involves powerful global tendencies that limit the financial role of the state, privatize, and internationalize in overall development policy. No country pursues such political-economic policies in order to lead to private (or other) higher education consequences, and it is rare that those consequences are thought through when political-economic policy is made.

Furthermore, impacts from broader political-economic change occur only somewhat less dramatically where private higher education has some major historical continuity. These private sectors also grow and assume additional roles in response to a shrinking state, expanded market, and internationally oriented economy. Central and South Asia and Latin America provide many examples. Indeed a distinction between countries with new or preexisting private sectors of higher education dissipates once the "new" sectors are in place and then evolve in response to wider political-economic trends much the way their counterparts do in countries with a longer private higher education tradition.

A different variation on the meaning of new or fresh sectors comes when private higher education reemerges after periods in which it was proscribed, as in Turkey. The prior existence of private higher education may make the fresh growth less shocking and more easily legitimized. A striking contrast lies between China, with its pre-Revolution history of private higher education, and Russia. Nevertheless, sectoral reemergence typically involves roles largely different from those pursued in an earlier era. Today (as in China) the roles are more likely to be quite entrepreneurial.

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Developed Countries

Although political-economic change leading to private higher education roles is most striking in "transitional" and less-developed countries, the basic point holds for many developed countries. There, too, the role of the state changes, as does its interface with the market. And just as some less-developed countries have a major history of private higher education, some developed countries also do not. In Western Europe and Australia political-economic change can contribute either to the creation of private higher education or its evolution beyond a niche role, though to date these regions continue

to stand out for the comparatively limited presence of private higher education. Japan is a leading case of a much more ample and established private higher education sector evolving roles largely in response to wider (non-higher education) policy changes.

And the U.S. case, despite vital exceptional characteristics in other respects, bolsters our observation about systems with established private sectors and, moreover, bolsters our general theme about private roles that are not centrally designed or anticipated. The roles pursued by U.S. private higher education have continued to increase and change. This has occurred partly through evolution of existing institutions. Moreover, as some private institutions die, others are born, and the mix of roles changes. The most striking recent growth, as in many countries with much less extensive private higher education traditions, lies in for-profit higher education. The for-profit surge comes as a surprise (a true surprise, since the for-profit forms are multifaceted) especially after many observers thought that legal and media reactions to U.S. "diploma mills" had led by the 1980s to an unfavorable climate for for-profit higher education. Alongside the for-profit surge, U.S. (and other) private nonprofit institutions became much more entrepreneurial, in many respects like for-profit institutions.

For such a major evolution in U.S. private higher education roles, no higher education master plan inaugurates or basically maps the way, notwithstanding the common existence of statewide higher education coordinating boards and plans. And even though there is much more literature on U.S. than on other private higher education sectors, analysis of roles is largely reactive: scrambling to try to figure out what is going on. This is a common sign that change proceeds without a central blueprint.

Especially where private higher education sectors are new, but also where new roles emerge within established sectors, the element of surprise is often reflected in the marginality of law. National laws do not provide the blueprint for role emergence. Instead, private roles often emerge in gray zones neither covered clearly nor forbidden by law. Similarly, legitimacy is commonly questioned as private higher education introduces elements many do not associate with traditional or "proper" higher education. The new roles emerge not from central agreement in launching them, but from initiatives from many whose pursuits may be unaccepted by others. This is typical of private, voluntary, scattered actions neither directed nor anticipated by a central authority.

For elaboration of all the dimensions mentioned in this article, see Daniel Levy, "Unanticipated Development: Perspectives on Private Higher Education's Emergent Roles," PROPHE Working Paper #1, 2002 <<http://www.albany.edu/~prophe>>. ■

Measuring Market Reliance and Privatization in Higher Education

Arthur M. Hauptman

Arthur M. Hauptman is an independent public policy consultant specializing in higher education finance issues. This article is part of work commissioned by the Futures Project: Policy for Higher Education in a Changing World at Brown University. E-Mail: <hauptman_a@yahoo.com>.

Over the past two decades or so, an increasing number of countries have been debating whether to rely on market forces to achieve key policy objectives in higher education. But these "privatization" debates have lacked a clear definition of what it means to rely on market forces in shaping higher education policies and trends. This article seeks to clarify how to measure the degree to which different countries rely or do not rely on market forces.

Funding of Institutions

The most obvious indicator of the relative reliance on market mechanisms is how much of the overall funding for higher education comes from government sources. A totally private system would entail no government support for institutions or for the students attending them in the form of student aid, with all institutions deriving all their resources from private sources, including fees. A totally government-funded system would be one in which all institutions are public and depend entirely on government support.

While there has undoubtedly been a worldwide trend toward privatization over the past several decades, it is equally true that higher education systems in most countries remain primarily dependent on government for their revenues. Existing data sources and studies, although incomplete, suggest that most higher education institutions worldwide rely on government for more than three-quarters of their revenues. But there are a number of notable exceptions, principally in countries with relatively high proportions of private institutions where private sources account for more than half of all revenues, including the United States and the Philippines.

Institutional Autonomy

A more subtle measure of the reliance on markets is the amount of autonomy institutional officials have in financial matters. Most prominent of these is the discretion they have in deciding how to spend the funds they receive from whatever source, including government. In a market-based system, institutions would have full control of their budgets with no