

up subsidizing, what the public institutions truly provide to private students, and what the for-profits really deliver in quality. In 1999 the government imposed a moratorium on new partnerships.

Moreover, institutional types do not always get along well with each other, even where partnerships exist. The for-profit predominance of South Africa's private growth does not ward off common public-sector wariness about new private institutions, especially in settings lacking much private higher education tradition. Public critics allege the privates' low academic quality and hypercommercialism, charges that ring especially true to many (accurately or not) where the privates are for-profit. Meanwhile, for-profits sometimes charge public institutions with obstruction, haughtiness, and failure to deliver on certain partnership promises.

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Furthermore, for all the for-profit/public complementarity, the South African case shows the kind of intersectoral competition that can exist simultaneously. True, the very limited presence of universities (as well as nonprofit and religious institutions) in private higher education limits intersectoral competition at the top of the academic hierarchy. But where exceptions have arisen, public institutions have lobbied government for controls. Thus, recent government restrictions have fallen especially hard on aspiring transnational institutions (such as Bond and Morgan) that had taken quick strides in the 1990s.

But the more common form of competition where for-profits predominate is a business competition. For-profits find ways to trim costs. As in the United States and apparently in South Africa as well, they drop both frills and academic pursuits not directly linked to attracting students with job aspirations. Indicators suggest success on the job front and with student satisfaction. Innovative or at least job-oriented fields of study pose threats to public competitors, as can hierarchical and lean management and faculty structures. The South African for-profit challenge sharpens where large business groups own private higher education institutions and foster direct job training and access.

Such for-profit challenges are particularly tough while, in South Africa as in most of the world, there is increasing pressure on higher education generally to be more efficient on matters such as job relevance. How such challenges play out against the striking complementarity that for-profits also can bring will say much about the future for-profit/public higher education institutional interface in countries such as South Africa. ■

Evolution of Ukrainian Private Higher Education: 1991–2001

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The emergence of private education in Ukraine is tied to the country's need to address rapidly changing and long-suppressed educational, cultural, and economic challenges following independence in 1991. The emergence of Ukrainian nationalism and the beginning of a shift toward a more market-oriented economy highlighted significant gaps in the public sector—gaps the emerging private higher education institutions were quick to fill. Private higher education also served as a catalyst for a range of cultural, language, and religious groups seeking to reassert their identity following decades of Russification. Today, the Ministry of Education estimates private higher education institutions comprise about 6 percent of the total number of educational institutions.

The most difficult dimension of the accreditation procedure is the long set of strict quantitative requirements that goes far beyond the ability of the vast majority emerging private institution to meet.

Private higher education in Ukraine has undergone several stages of development in the last decade. The first private institutions emerged in 1991–1992 and rapidly grew in number over the next two years. State accreditation of private institutions began in 1995–1996. In the years from 1997 to 2000, private higher education institutions gained state recognition and issued their first diplomas

The majority of Ukrainian private higher education institutions utilize a “niche” strategy—that is, they orient their educational policy toward some limited but comparatively stable and underserved segment of the educational market. Conflicts between state and private higher education institutions usually arise over a narrow circle of the most profitable Ukraine specialties—e.g., law, economics, or management.

Governance

Ukrainian legislation regarding the establishment of educational institutions is Byzantine in structure and prescribes different and unequal procedures for state and

private institutions. For example, private higher education institutions are considered businesses and unlike their state counterparts are governed by commercial, not educational, law. State policy on private higher education institutions is largely contained in two legislative documents under discussion since late 2001 that have still not been approved by the Ukrainian government: the draft of the law on higher education and the draft of the new National Doctrine of the Development of Ukrainian Education in the 21st century.

Financing

The financing of private higher education institutions in Ukraine remains complex and is one of the key problems for private higher education. Tuition is the principle source of financial support; however, a few private higher education institutions have managed to attract funds from local (e.g., city and regional) authorities. In several other instances, private higher education institutions have been able to secure financial support from business enterprises both privatized and state operated.

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Licensing and Accreditation

One of the most significant changes in the system of classifying Ukrainian higher education institutions is the state-run licensing and accreditation process. Licensing, the first step in accreditation, is a temporary right granted by the state permitting an institution to begin operations. The first licensing of private higher education institutions occurred in 1993. By January 2000, 138 higher education institutions in Ukraine were licensed.

The most difficult dimension of the accreditation procedure is not its complexity, but rather the long set of strict quantitative accreditation requirements adopted by the State Accreditation Commission (SAC) that goes far beyond the ability of the vast majority of emerging private institution to meet. In setting accreditation criteria unattainable for many higher education institutions, the SAC may not have intended to undermine the Ukrainian higher education system or shut down most private institutions. However, the SAC clearly used formal requirements as bureaucratic cover

for the informal relations that inevitably arise between the accrediting organs and institutions.

Many Ukrainian observers believe the current process of accreditation is cut off from reality and actually a product of organizational and professional incompetence. As one Ukrainian scholar states, “If an American university, having exclusively a Nobel-prize-winning teaching staff, decided to transfer its base into Ukraine, it would not even be able to obtain a license here (without a bribe, of course), and it could only dream about accreditation.”

The Future of Ukrainian Higher Education

Future development of private higher education in Ukraine is unpredictable since it depends on critical government and legislative decisions currently under discussion. Depending upon the climate set by the Ukrainian Parliament that was elected in spring 2002, the landscape of private higher education is expected to change dramatically. Private higher education may expand or contract, but it is unlikely to retain its current shape or scope.

Eighty percent are expected to close or merge.

Data from a national sampling of leaders in Ukrainian private higher education suggest a pessimistic outlook especially in light of demographic trends. A declining birthrate is expected to produce an enrollment gap in the decade ending in 2010 that will dramatically affect the Ukrainian education system. This gap originated in the second half of 1980s due to the Chernobyl disaster and the economic uncertainties associated with perestroika. During the 1990s, the demographic gap eliminated most Ukrainian kindergartens. Ukrainian secondary schools are also at risk now. When this destructive wave reaches higher education demand will significantly decrease, while the competition between higher education institutions will reach a peak. According to Ministry of Education data, if the index of demand for higher education in 2002 is 1.0, it will decrease to 0.86 in 2007, to 0.64 in 2012, and to 0.61 in 2013.

The stratification of Ukrainian private higher education is also expected to increase in the next decade. Just over 20 percent of private higher education institutions have market positions stable enough to secure their future existence. The remaining 80 percent are expected to close or merge with larger private or state institutions.