exchange traditional curriculum development for new and innovative models. If they are to provide real program differentiation, private institutions need to determine social needs and develop curricula accordingly. Such curricula should then withstand the proof of quality maintenance and assurance while continuing to adapt to local needs and labor market demands. Broadly, private institutions in Africa seek to strive for international competitiveness with curricula that take cognizance of universal graduate standards. In the midst of these challenges, some institutions grapple with requirements of their owners, who often interfere with governance, recruitment of personnel, and academic progress.

A political problem for many private institutions, as previously experienced in Latin America and Eastern Europe, is their tendency to specialize in inexpensive fields of study that are in high demand. Natural and physical sciences, engineering, and technology remain largely peripheral, however much they are core to national development. Private higher education faces the challenge of offering diverse disciplines if it wants the status of universities of repute.

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Conclusion

Many challenges facing Africa's private higher education institutions also confront its public institutions, though often in different ways and magnitudes. African private higher education primarily plays a supportive role to public-sector institutions. If this role is vital, then public policy issues arise over governments lending a supportive hand, trying to shape growth toward meaningful social development. Issues also arise over how both public and private institutions might together address challenges in their systems. Similarly, issues emerge over how best to pursue human resources development, with what mix of competition and cooperation between the two higher education sectors. To approach such matters intelligently, public higher education institutions, the citizenry, and governments need to take note of the patterns of development, achievements, and limitations of the region's private higher education institutions. Perhaps these and other issues will be fruitfully addressed in the next regionwide conference on private higher education that South Africa is preparing to host. ■

Foreign Higher Education Activity in China

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China is perhaps the world's most complex, overhyped, and underanalyzed market for transnational higher education. The country's size, combined with China's transition from a command to a pseudomarket economy and potential as a superpower, has prompted many higher education institutions in the developed world to explore the possibilities for market entry. The recent accession of China to the World Trade Organization and the increasingly favorable official view taken of in-country activity by foreign education institutions (new regulations came into force in September 2003), suggest a genuine opening up of the market. This article is based on two reports recently published by the Observatory on Borderless Higher Education (www.obhe.ac.uk).

From the Chinese perspective, the major benefits of foreign involvement are capacity, status, and innovation. China is rapidly becoming the most significant source of students studying abroad (sending over 63,000 students to the United States alone in 2002). However, like some other major source countries such as Malaysia and Singapore, China may come to view foreign-sourced, in-country provision as more cost-effective, in terms of reducing travel costs and stemming brain drain.

Regulation of Foreign Activity

The third and most recent piece of legislation on transnational provision was released in March 2003 and offers clarification on the prior 1995 regulations. (Both the 1995 and 2003 regulations are available in English on the Ministry of Education website.) Major features include the stipulation that foreign institutions must partner with Chinese institutions; partnerships must not seek profit as their objective; no less than half the members of the governing body of the institution must be Chinese citizens and the post of president or the equivalent must be a Chinese citizen residing in China; the basic language of instruction should be Chinese; and tuition fees may not be raised without approval.

The sustained proscription of foreign education institutions making a profit in China is in contrast to the 2002 law on domestic private higher education, which permits a "reasonable return." It would appear that no Chinese private higher education institution has yet won approval to offer programs leading to foreign degrees, so the combination of a for-profit domestic provider and a foreign provider has yet to materialize, at least at degree level. Indeed, I am not aware of any foreign for-profit higher education institution currently operating independently in China at the bachelor's degree level or above. Known examples of other foreign for-profit education activity include IT education firms such as India's NITT and brokers such as CIBT. Canadian CIBT acts as a local partner for some U.S. for-profit institutions, such as Western International University (owned by the Apollo Group) and ITT Educational Services.

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None of the regulations on foreign education activity mention on-line learning or distance learning of any kind. According to the first report, there are no officially approved examples of Sino-foreign on-line provision, suggesting that approval would be required (the full reports contain some recent examples). While on-line provision is not directly mentioned in the regulation of Sino-foreign partnerships, any such activity would constitute offering foreign provision in China and would thus appear to fall under the scope of the decree.

Scale of foreign activity

Adequate data are not available on the scale of foreign higher education activity in China, but the evidence suggests rapid development. According to the 2003 decree concerning foreign education activity in China, there are currently 712 "approved" jointly run educational institutions in China. Jointly-run education institutions encompass activities ranging from codeveloped new institutions, to a foreign degree franchised to an existing Chinese university, and much subdegree and nondegree provision. The decree states that the United States is the source of the highest number of partnerships, followed by Australia, Canada, Japan, Singapore, the United Kingdom, France, and Germany.

China's size, devolved authority, and ambivalent practice of the rule of law have led to a situation of both officially approved and nonapproved foreign provision, and various types of approval. The national Ministry of Education regularly publishes a list of "approved higher education joint programs in China leading to the award of overseas degrees or degrees of the Hong Kong Special Administrative Region (SAR)." In 2002, this list contained 67 partnerships covering 72 joint programs, roughly a tenth of the 712 total mentioned above.

The report states that in 2002, aside from these 72 approved joint programs, the "remainder . . . are only authorized to offer certificates and diplomas." Other data suggest that there are in fact many nonapproved joint programs in China leading to the award of a foreign degree. Very few countries collect or publish detailed data on the offshore activities of their universities. The main exception is Australia. Data published by the Australian Vice-Chancellor's Committee (AVCC) in May 2003 list 200 current offshore programs in China undertaken by Australian universities, 157 (79 percent) of which involve either Australian bachelor's or master's programs. If one assumes that the United States, the United Kingdom, and other major source countries are also offering nonapproved degree provision on a similar scale, it is clear that the *real* extent of foreign degree activity is far in excess of that reported on the official ministry list. Given the apparent scale of nonapproved activity, the variety of sources of nonministry approval (e.g., municipal, provincial, and local governments) and the possibility that some programs lack any form of government approval at all, the figure may be only an approximation of a phenomenon beyond the scope of official statistics.

It is clear that the real extent of foreign degree activity is far in excess of that reported on the official ministry list.

The data show that 27 Australian universities have current offshore programs in China (excluding Hong Kong SAR). This represents 71 percent of the AVCC's 38 university members, suggesting China as a major site of offshore activity for a large majority of Australia's universities. Offshore programs in China represent 13 percent of all reported current offshore activity by AVCC members. Fifty-three percent of Australian joint programs in China are offered by just 3 universities—Charles Stuart, Southern Queensland, and Victoria. By level, 50 percent of programs are at the master's level, 29 percent at the bachelor's level, with the remainder a mixture of postgraduate and undergraduate certificates, diplomas, foundation courses, and English-language provision. By subject, approximately 60 percent of provision is in the broad area of business and management, with IT, law, and education the other prominent disciplines.

The AVCC data also include valuable information on mode of delivery. For example, the data show that less than 17 percent of Australian offshore programs in China included a period of study in Australia. Just over 25 percent include at least some study by distance learning, while only 15 percent are offered wholly at a distance. The AVCC data give no details on enrollments.

In the second Observatory report, 20 Sino-foreign education partnerships were selected for analysis, covering nine countries and six categories of activity. As would be expected, almost all activity began following the 1995 regulations, and there is evidence over time of more ambition and greater commitment on the part of joint ventures—moving from joint centers and programs to branch campuses. Both the University of Nottingham in the United Kingdom and Oklahoma City University from the United States were expressly invited by the national authorities to set up operations in China, marking the first official push in this direction.

Conclusion

To conclude, while few importer countries publish detailed information on the activities of their higher education institutions, evidence from Australia indicates that the total number of ventures involving degree programs from foreign institutions greatly exceeds the number reported on the official ministry list. There are clear ambiguities over approved and nonapproved status, with approval operating at various "official" levels. The range of known partnerships suggests a flexible relationship between government regulation and local practice. What is indisputable is that transnational activity in China has expanded rapidly in scale in recent years, the extent of foreign commitment is growing, and the types of providers involved are becoming increasingly diverse.

It is clear based on the AVCC data that while traditional offshore markets such as Hong Kong, Malaysia, and Singapore continue to host the majority of franchise activity, China is increasingly significant and, given its size, has the potential to dwarf all others. Key questions for the future include: how the roles of Chinese regulation, enforcement, and local practice will develop; the extent to which official statistics and practice will be aligned; and whether exporter nations will follow Australia's lead and collect better data on the activities of their institutions (not least in the interests of quality assurance). Finally, and related to the last point, as China becomes an increasingly significant site for higher education delivery from all over the world (perhaps *the* most significant site within a decade) and as delivery involves a ever more complex mix of public and private partners, what might be a legitimate (and feasible) role for national quality agencies in overseeing activity? ■

Higher Education Reform in the Balkans: Using the Bologna Process

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Like many other regions in transition, countries in the Balkans are struggling with higher education reform due at least in part to academic cultural traditions and organizational structures. Change comes hard here despite very difficult financial circumstances that sometimes provide opportunities for reform. But governmental and institutional aspirations for change seem to find common ground in the Bologna process. This article focuses on the development of this common ground in one Balkan nation—Macedonia (a September 2003 signatory to Bologna)—and places it in the broader context of the Balkans. The basis of these observations is the author's work on both OECD and World Bank projects in Macedonia in spring and early summer 2003. The views expressed here are solely those of the author.

Macedonia, one of six former republics of Yugoslavia, has only two public universities—with Sts. Cyril and Methodius University in the capitol of Skopje (SU); the larger and more prestigious of the two. SU has 24 of the country's 30 faculties, the remaining 6 are found at St. Kliment Ohridski University, with its principal campus in Bitola. Their combined enrollment in 2002 was 44,710—which represents a 64 percent increase since 1994. Private universities were only authorized in 2000 but are now growing rapidly. Like most Balkan countries, Macedonia has a unitary system where non-university-level faculties are part of the universities.

Macedonia, like many transition economy countries, is under pressure from the IMF and World Bank to reduce the relatively high proportion of GDP in its government sector. Public-sector budgets are thus under enormous pressure, and the universities find themselves squeezed between these constraints and burgeoning enrollment pressure. One result is that the dual tuition system under which some students are admitted on the basis of state quotas and others pay relatively high tuition rates is breaking down as all students are beginning to pay tuition.

Highly Autonomous Faculties

One of the organizational characteristics in Macedonia that is typical of most Balkan countries is highly autonomous faculties. Individual faculties have separate legal status,