

equivalent to two-thirds of direct government funding and one-third of the university's total income. At Kenya's four major private universities, tuition income averages 72 percent of total income.

One result is that while public universities increase their enrollments and financial health—thanks to privatization—and despite there being three times as many private as public universities, the private share of enrollments is *declining*. From 20 percent in 1999 and 16 percent in 2001, the enrollment share fell to 13 percent in 2003. Privatization of the publics thus appears to be occurring at the expense of private growth. The sustainability of this tendency is contestable, but all indications are that enrollments in the Module II programs have yet to surge. This point does not negate the fact that private enrollments continue to grow (by 16 percent over the last three years) and that the public-sector increase has much to do, as in China, with previously low public enrollments.

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Pointedly, the privates seem to have been unprepared for the current privatizing trends in the publics. A fundamental question then is what the future holds for the privates and the publics. Clearly, privatization will continue—whether at public or private institutions. The privates would have to chart out effective responses to the privatizing public institutions and innovate to remain competitive. Initially, at least, the privates have failed to uphold the behavioral characteristics of business, not countering fresh competition effectively, despite having some clear comparative advantages.

While Kenya's privatizing public universities challenge their private counterparts, both face increasing entrepreneurial challenges from foreign universities operating with local Kenyan colleges. Examples include the University of South Africa, University of London, Technikon of South Africa, the University of Free State, the Australian Studies Institute, and a consortium of British universities represented by the British Council. Foreign universities have taken advantage of the liberalized environment and have brought the competition to the door of local universities. Only the public universities seem to mount credible responses to this challenge, interestingly by franchising local private tertiary colleges to offer programs on their behalf.

In conclusion, while private higher education claims internationally to represent the entrepreneurial alternatives and future growth, Kenya shows the limitations of this trend. It appears that public and foreign institutions might fight for entrepreneurial terrain, thus placing a fresh challenge before private universities. ■

Transition to Privatized, Globalized Higher Education in Israel

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The gap between the high demand for and low supply of higher education has created pressure to open Israel's institutions of higher learning to a wider circle of potential students. This pressure, accompanied by economic strains, has instigated changes in the system. The awarding of academic degrees was no longer the exclusive role of Israeli universities. Privatization, begun in 1974, was joined by globalization in the mid-1990s. The entire process occurred in four stages over 30 years: the establishment of the Open University (1974), academization of the teacher training colleges (1981), passage of legislation concerning the status of colleges (1995), and the opening of foreign university extensions (1998).

Establishment of the Open University, 1974

The Open University delivers courses leading to the B.A. by means of long-distance teaching. In contrast to other institutions of higher learning, its minimal entrance conditions—no high school matriculation diploma or college entrance examinations are required—permit all applicants to be accepted. The number of students studying at the Open University reached almost 25,000 in 2003. The median age of its students—30 to 35—is higher than that of students at the universities. The Open University enrolls a larger proportion of students: about 25 percent versus 9 percent, respectively. In addition, the geographic spread of its students is wider, with students residing throughout the country, although the ethnic distribution of its students resembles that found in the universities. The Open University is autonomously governed, is state supported with funds provided by the State Planning and Grants Committee, and operates by the authority of the Council of Higher Education. As of the 1990s, the university has been licensed to award a master's degree in a limited number of disciplines.

Academization of Teacher Training Colleges

Since 1981, teacher training colleges in Israel have experienced a process of academization—that is, the transformation into colleges with the authority to grant B.Ed. degrees. A similar process is under way in North America and in Europe. The practical implications of academization in Israel include the four-year (formerly three-year) course of study, programs devised according to Council of Higher Education recommendations, a rising level of the teaching staff competence, and the establishment of more rigid admission criteria (e.g., a full matriculation diploma, college entrance examinations, and a personal interview). This process stimulated an increase in the number of applicants during the 1980s (10 times the number applying in the 1970s) and provided a new route to earning an academic degree and, subsequently, an M.A.

These colleges, which charge high tuition fees, receive no financial aid from the Planning and Grants Committee but remain under the jurisdiction of the Council of Higher Education.

The Opening of Private Colleges

Economic, social, and political constraints gave birth to an amendment of the Council of Higher Education Law in 1995 that allowed the opening of colleges licensed to award academic B.A. degrees. This law authorized the founding of 14 regional academic colleges in Israel's periphery. Although these institutions were originally treated as subsidiaries of the universities, they have since acquired autonomy. In addition, 3 private colleges were founded. These colleges, which charge high tuition fees, receive no financial aid from the Planning and Grants Committee but remain under the jurisdiction of the Council of Higher Education. In 2000, attendance reached 53,089, as compared with 113,010 in the universities. With respect to the 20-29-year-age group, in 2000, about 10 percent of students attended universities whereas 4.3 percent attended colleges. We can conclude that academic recognition of the colleges stimulated a rise in the number of students studying for a B.A. at these institutions. It is estimated that in 2003, the number of students studying toward a B.A. at colleges will be greater than the number studying toward the same degree at universities.

Extensions of Foreign Universities

Privatization of higher education has brought about a significant increase in the number of individuals holding a B.A. degree. A large percentage of these graduates also

aspire to continue their studies to advanced degrees, particularly the M.A. Although the universities lack the capacity to absorb the majority of these applicants, the Council of Higher Education refused to permit the colleges to award advanced degrees for some time. Due to growing demand and sustained privatization, the globalization of higher education received greater impetus. These trends eventually brought about the establishment of extensions of foreign universities in Israel.

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The Council of Higher Education has since licensed several of the foreign universities interested in entering the Israeli market to teach courses leading toward the acquisition of academic degrees. In 1998, legislation was passed that required these extensions to operate under Council of Higher Education oversight. About 25 extensions—from universities in the United States, the United Kingdom, Europe, and Africa—currently operate in Israeli, with about 9,000 Israel students enrolled in their programs.

At the turn of the 21st century, the system continues to evolve: colleges that were permitted to grant B.A. degrees are requesting licenses to grant M.A. degrees. The Council of Higher Education, loath to relinquish its monopoly, raised barriers and issued negative responses. Yet, just as economic, social, and political forces combined to legitimate the colleges' award of B.A. degrees despite the obstacles put up by the Council of Higher Education, these same forces are again acting in favor of the colleges. In April 2003, three teachers colleges were licensed to award M.Ed. degrees; in July 2003, other private colleges were licensed to award M.A. degrees.

The major implication of privatization and globalization in higher education is the benefits of greater distribution of knowledge and of making that knowledge accessible to a broad population that had previously been deprived of this opportunity. ■

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