

recruiting international students.

### CONCLUSION

The IAU global survey reveals that US institutions do not assign as high a priority to internationalization, as others around the world. They are less likely to have a strategic plan for internationalization in place or under development; and their leaders are perceived as assigning less importance to internationalization. In all measures of infrastructural supports, US institutions lag behind, including the likelihood of having a dedicated office, dedicated budget, monitoring and evaluation system, or explicit targets or benchmarks.

A sobering note for the United States is its relative status, as a potential priority for the internationalization efforts of institutions from other regions. When institutions do look outside their regions, North America is not generally a first choice. Europe is first or second for all regions, except North America.

The data from the IAU survey suggest that the United States cannot rely on the old narrative that it is leading the way in higher education. Institutions and governments around the world are intensifying their internationalization policies and strategies. Is the United States up to this challenge? ■

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## Private Higher Education's Distinctive Niche in New Zealand

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Most developed countries have solid, traditionally established, public higher education institutions. These institutions are generally well-resourced, have subsidized enrollments, and possess solid reputations. They thus leave little space for the private sector to develop at that level. Typical of this state of affairs is New Zealand, whose higher education sector is dominated by a number of government-owned universities and polytechnics. Despite this dominance over the past 25 years it has been legally possible

for private providers to deliver higher education (diploma and degree) programs. In doing so, these private providers have developed a number of characteristics that distinguish them from the government providers. This means that the private sector is a small, but significant part of New Zealand higher education sector. In 2013 there were 265,362 equivalent, full-time students in higher education in New Zealand (degrees and diplomas); 38,964 of such students were enrolled by private providers or 14.7 percent of the total (New Zealand, Ministry of Education, Education Counts).

To enable the private higher education sector to come into existence, legal reform first had to occur. Before 1989, the only providers permitted to deliver higher education programs were government-owned ones (universities delivered degrees and polytechnics diplomas). The *Education Act 1989* then allowed for the private delivery of both degree and diploma higher education programs, as well as the delivery of degrees by polytechnics. From the old Department of Education, the New Zealand Qualifications Authority was created, which was given the role of accrediting new diploma and degree programs of the government polytechnics as well as that of the private providers.

### RESTRICTED PRIVATE NICHES

During the 1990s the policy of the National Party Government was to promote growth of the private sector, by increasing its funding of enrollments in the sector. At this time it was accepted by the government that private providers would compete directly with the public providers, both for funding and for students. This attitude changed in 1999 when the Labour Party came to office. Gradually from 2001 a freeze on the number of funded places in the private sector was imposed. The view of the government then was that funding should be directed toward those providers that could show that they were meeting demands not adequately met by the government sector. The National Party's return to office in 2008 was accompanied by expectations of increases in funding for the private sector and a loosening of restrictions on the private sector applications. In general, this did not occur, partly because of the financial restraints placed on the government after the 2008 global financial crisis and partly because of the general acceptance by the National Party of the previous government's skeptical attitude to private education.

In 2013 there were over 300 formally registered private providers in New Zealand, compared to a government sector made up of 8 universities, 18 polytechnics, and 3 *wananga* (tertiary institutions with a Maori cultural emphasis). The private providers, obviously of smaller average size, tend to be more specialized and concentrate on providing programs in niche areas. They are—as they typically are in private higher education globally—mainly in business

and information technology, though also culturally oriented programs, including the creative arts and education. This specialization is a product of both their smaller size and narrower range of offerings. After all, the government providers have left only a restricted range of opportunities. Another aspect of the growth of the private sector—also a product of how private higher education is restricted to niches—is its heavy concentration on the diploma, rather than the degree level. Private providers have over 35 percent of all diploma enrollments in New Zealand, compared to only 3 percent of degree enrollments.

#### FURTHER NICHE OPPORTUNITIES

Yet, private niche development, resulting from publicly imposed restrictions, is not the full story. Public-sector policies also open private opportunities. Government polytechnics have tended to shift their emphasis away from traditional vocational courses, toward the development and delivery of degree-level programs. This represents the well-known concept of academic drift. Understandable in terms of academic ambition, status, and self-interest, such drift tends to undermine intended differentiation. But, if there is a kind of public failure or change here, it is one that has provided a gap for the private sector. If society does not get one of its major demands, met in the government's own (public) sector, it may find a useful contribution from the private sector.

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In a number of countries, the growth of the private higher education sector has helped to create opportunities for students from traditionally unrepresented groups in higher education. This may hold especially in nonuniversity level offerings. Indeed there is a higher proportion of enrollments in private providers of Maori and Pacific Island students, which is a reflection of the fact that a number of private education providers specialize in the delivery of programs that target students of those ethnic groups. This role in New Zealand, however, is restricted due to the presence of the Maori institutions.

Overall, private higher education providers in New Zealand are niche institutions. They are relatively small, focus on diploma rather than degree studies, and concentrate on vocational courses at that diploma level. This has

meant that private higher education in New Zealand, by both policy design and natural development, has identifiable functions and is simultaneously both important and yet not challenging to the public sector's academic and status dominance. The private sector often responds quickly to changes in market demand and to demand for vocationally orientated programs, giving it a role that the public institutions are either slow or unwilling to take on. This niche configuration has wide validity for the developed western countries, especially those of the Commonwealth, which have mature education systems. ■

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## India's Private Universities: Solutions or Problems?

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India, often described as the land of diversity, has a confusing variety of universities. The degree-awarding, university-level institutions are generally grouped into five categories—institutions of national importance, central universities, state universities, state private universities, and deemed universities. Their mode of establishment, sources of finance and even functioning are different, as is the relative emphasis on teaching and research. The first two types are established by Acts of Parliament and the next two types by Acts of State Legislatures. The deemed university (more correctly, deemed-to-be-a-university) status is granted by the Ministry of Human Resource Development, Government of India under Section 3 of the University Grants Commission Act, 1956. While the first three types are public institutions, the state private universities and the majority of the deemed universities are “self-financing” (i.e., private).

#### THE ROLE OF THE PRIVATE SECTOR

In 2006, the National Knowledge Commission, in its report to the prime minister, stressed the need to set up 50 national universities, and to increase the number of universities (then about 360) to 1,500 by 2015. In educational circles, the recommendations were considered impractical in view of the huge financial and human resources requirements. The governments (central and state) simply do not have the wherewithal to make meaningful contributions. The finance, therefore, has to come from the private sector.