

about private providers from research and official reports is not flattering, leaving civil servants and other government agencies preoccupied with unravelling the mess that characterizes this inadequately regulated evolving sector and the risks it poses, and taking a series of rearguard actions, often behind closed doors.

#### PRIVATE PROVIDERS IN THE UNITED KINGDOM

Of the estimated 670 private providers in the United Kingdom today, the majority operate as for-profits and are newly established. Just seven have degree awarding powers and four have university status. Compared with the public sector, most are cheaper, small, concentrated in London, highly specialized, offering a limited range of courses and a limited number of qualifications—mostly at sub-degree level, and have lower entry requirements. Government research estimates that there are now between 245,000 and 295,000 students in the private sector. Most study full-time and about half are international.

The number of private sector students claiming government-subsidized financial support has increased tenfold since 2010/2011, to around 60,000. The taxpayer costs of this aid has soared from £30 million in 2010 to £723.6 million in 2013–2014, before falling to £533.6 million in 2014/2015 after the government introduced a cap on student numbers at private colleges because of concerns about quality and rocketing public funding. A damning report on financial support for students attending private colleges by the National Audit Office, which scrutinizes public spending for Parliament and helps Parliament hold government to account, showed: students claiming support for which they were ineligible; providers recruiting students who do not have the capacity or motivation to complete their course; drop-out rates five times higher than the public sector; providers enrolling students accessing support onto unapproved courses; and providers supplying inaccurate information about student attendance.

All are clear examples of the waste and abuse of public money for the private gain of providers. They, together with the public costs, bring into question the supposed attractiveness of private providers as cheap alternatives to public universities, as well as what their students and taxpayers are getting in return. Why not invest and concentrate on public higher education instead of expanding private provision? ■

## Changing Public-Private Dynamics in Polish Higher Education

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Poland provides an interesting example of the impact of rapidly declining demographics on the public-private dynamics in higher education. From an international perspective, the Polish case shows how fragile private higher education is, when its dominating, demand-absorbing subsector is confronted with changing demographics and massive public financing in the public sector; it also shows how interdependent the two sectors are. The Polish case provides a good policy lesson for all systems in which the public sector is funded by taxes and the private sector is fee-based, and in which demographic projections show that ever-growing pools of prospective students in the future are not guaranteed.

To describe the last decade in a nutshell: the number of public sector students has been increasing, compared with the number of private sector students, and the amount of public revenues to higher education, compared with private revenues, has also been increasing. In the public sector, the share of “tax-based” students has been increasing and that of fee-paying students has been decreasing. The number of private providers has also been shrinking. Consequently, Poland moved from a *fully public* system under the communist regime (1945–1989), to a *dual or mixed public-private* system in the expansion period of 1990–2005, to a *deprivatizing* system in which both the private sector and private funding are playing a decreasing role (2006–2016, and beyond); and, presumably, to a *deprivatized* system, with a marginal role of the private sector and a dominant role of both the public sector and public funding (from about 2025 and beyond).

#### EDUCATIONAL EXPANSION

The history of Polish higher education after 1989 can be divided into two contrasting periods: an expansion period during 1990–2005 and a contraction period since 2006. While the expansion period was characterized by privatization (private sector growth and increasing role of fees in financing public universities), the current contraction period is characterized by deprivatization. Deprivatization has both

external and internal dimensions: the decade-long decline in private sector enrollments is combined with a decreasing role of fees in financing public universities. The fall in national enrollment levels, due to falling demographics, is projected to be one of the highest in Europe, and comparable only to that in other post-communist countries such as Bulgaria, Romania, Slovakia, Lithuania, and Latvia.

The private sector was booming in the expansion period, as Poland was catching up with Western Europe in terms of enrollment rates: the enrollment rate grew by a factor of five in a much shorter period of time than anywhere else in Western Europe. It has been gradually declining since the Polish system entered—in Martin Trow's terms—the age of “universalization.” It reached 51.1 percent in 2007, compared to 10 percent in 1989.

#### EDUCATIONAL CONTRACTION

The first impact of the current powerful reversed demographic trend is seen through the falling share of fee-paying students in both sectors combined, beginning in 2006. In contrast, the total number of “tax-based” students has been increasing throughout the last decade, and in 2009–2014 their share increased from 43.6 percent to 57.9 percent. Under declining demographics, the speed of change in student composition by sources of funding and by sector has been amazing. It has been a zero-sum game so far: in student numbers, public sector gains have meant private sector losses.

The share of fee-paying students (all students in the private sector and part-time students in the public sector) in the expansion period was high from a European comparative perspective: it increased from 46.6 percent in 1995 to 58.6 percent in 2006. In the current contraction period, against global trends of increasing cost-sharing, this share has been steadily declining, to 42.1 percent in 2014, or from 1.137 million to 0.618 million students, with powerful financial implications. The ministry predicts it to be only about 20 percent in 2022. The changing public-private dynamics puts the question of cost-sharing in a different context: equitable access looks different when six in ten students pay fees, and when only four (and ultimately two) in ten do in the coming decade.

The expansion in 1990–2006 was financially supported by both public and private sources of funding. The inflow of public funding to the public sector was significant, but equally significant was the inflow of private funding from fees to both sectors. The private sector has always been overwhelmingly reliant on tuition fees—but during the peak of expansion the public sector was also heavily reliant on tuition fees from part-timers, who provided about 16–20 percent of its operating budget. Income from fees decreased by 17.8 percent (or \$97 million) in the public sec-

tor, and by 28.8 percent (or \$171 million) in the private sector in 2010–2014.

#### PRIVATIZATION IN RETREAT

Thus the process of privatization is currently in retreat: the number of fee-paying students in the public sector decreased dramatically by almost half (47.9 percent) in the period 2006–2014, as did the share of income from fee-paying students in the public sector (from 16.2 percent to 9.4 percent). The number of private institutions decreased by 12.6 percent (or from 318 to 278), and the number of mergers and acquisitions in the private sector is on the rise. Finally, private sector enrollments have been shrinking systematically, by 43.9 percent in the period 2006–2014 (or from 640,000 to 359,000 students).

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The decline of the fee-based private sector can hardly be reversed, as declining demographics are accompanied by an expanding pool of tuition-free places in the public sector. The increasingly privatized higher education of the expansion period is becoming increasingly public today, with stronger reliance on public funding. The dual public-private system is redirecting itself toward public institutions and their “tax-based” students. What matters, apart from the choice between studying for free vs. studying for fees, is also academic prestige and social legitimacy: predominantly demand-absorbing private higher education still lacks both.

Together with several other post-communist European countries, Poland is exceptional from a global perspective: both private shares in enrollments, and absolute enrollments in the private sector, have been decreasing for a decade. Private higher education, comprising 278 institutions, may expect to enroll still fewer students every year.

Poland is not politically prepared to the introduction of universal fees in the public sector or to the introduction of public subsidies in the private sector—which might help the private sector to survive. The introduction of fees is politically difficult in a much-felt climate of economic crisis in Europe today.

**CONCLUSION**

The public–private dynamics are rapidly changing in a system which still has the highest enrollments in the private sector in the European Union today. In the global context of expanding higher education systems, there are several systems in Central and Eastern Europe, with Poland in the forefront, which are actually contracting. Their contraction is fundamental and rooted in declining demographics. In a global context of increasing reliance on cost-sharing mechanisms and private sector growth, the Polish system seems to be moving in the opposite direction. Interestingly, the Polish trend of higher education deprivatization goes against the global trend of privatization, with uncertain financial implications for the future. ■

## Private Participation in Higher Education in Sub-Saharan Africa: Ghana's Experience

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Over the past quarter century, higher education in Sub-Saharan Africa has recorded phenomenal increases in the number of institutions and student enrollments, due largely to the deregulation of provision. For example, Ghana's higher education system has grown from just two institutions and less than 3,000 students in 1957 to 133 institutions and approximately 290,000 students in 2013, with most of the expansion occurring from the mid-1990s. Ghana's experience illustrates the push factors, policy responses, transformation of higher education, quality challenges of private participation, and the deepening of the internationalization of higher education institutions (HEIs) on the continent.

### REMOTE AND IMMEDIATE PRESSURES FOR PRIVATE PARTICIPATION

The expansion of the higher education sector in Ghana from independence in 1957 to the early 1990s was constrained by a number of factors, resulting in excess demand relative to supply. Until polytechnics and other post-secondary insti-

tutions were “upgraded” to tertiary status from the 1990s, higher education was conceived narrowly as university education. The perceived low status of other post-secondary institutions made them less attractive than universities. Thus one reason for the phenomenal increase in number of HEIs and enrollments in Ghana was the inclusion of previously excluded institutions. Other factors which contributed to the building up of excess demand for HEI included rapidly growing population; the restriction of access to higher education through selective examinations such as the Common Entrance Examination; high unit costs; unsustainable subsidization of higher education; a socialist ideology that prevented private participation; and the lack of an attractive vocational education pathway as an alternative to higher education. Under these constraints, the demand for higher education outstripped supply to such an extent that, at some point, 51 percent of qualified applicants could not be offered admission. Between 1966 and 1990, the higher education system, consisting of just three universities, was characterized by frequent student protests, strikes, closure of institutions, and disruptions in the academic calendar. Policy changes were inevitable.

A combination of global forces pushed Ghana to move toward private participation in higher education in the early 1990s. These forces included increasing democratization and massification of education, the collapse of the socialist ideology, the spread of free market economics, and the emergence of public-private-partnership thinking. Anxious to absorb the excess demand for higher education were not-for-profit religious bodies and for-profit private individuals and organizations that had for decades been active in the provision of basic and secondary education.

### POLICY RESPONSE: PRIVATE PARTICIPATION

As part of sweeping education reforms that began in 1987, higher education provision was opened up to the private sector, while public higher education was gradually deregulated. A legally mandated quality assurance body, the National Accreditation Board (NAB), was established in 1993 to regulate and guide the deregulation process. Before 2000, there were less than 15 private HEIs, but by 2015 their number had grown to 106, compared to 83 public HEIs. There are also numerous unaccredited institutions, 55 of which have been identified and published in the media by the NAB for the information of the general public.

### TRANSFORMATION

Private participation and economic liberalization have changed Ghana's higher education landscape since the mid-1990s. Private HEIs outnumber public institutions but account for less than 25 percent of total enrollments, now approaching 340,000 students annually. Private insti-