Taking course development as an example, a newly acquired school may establish new programs with resources and experience from other schools in the education group, hence reducing the time and cost necessary for course development at the new school. Therefore, merged schools can benefit from increased enrollment, size, and programmatic diversity.

Looking ahead, markets are seeing an increasing demand for graduates with professional skills. According to Frost & Sullivan, the proportion of fresh higher education graduates among the overall young unemployed population in China has grown from 35 percent in 2005 to 45 percent in 2016. In order to stand out, private universities need to bolster their reputations by focusing on career-oriented education. The success of these acquisitions in the industry will depend on the ability of educational companies to leverage their resources to help the acquired schools meet the market’s ever-changing needs.

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Family-Owned Private Higher Education Institutions in Africa

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PROPHE (Program for Research on Private Higher Education) contributes a regular column to IHE.

The increasing surge of private higher education institutions (PHEIs) in Africa over the last two decades includes a largely uninvestigated species of institutions owned by individuals or families. Little has been written about these types of private institutions at either the global or regional level. This article broadly explores family-owned institutions in Africa where the literature on PHE itself still remains meager and poorly organized.

Degree of Presence
The number of family-owned institutions in Africa is currently increasing despite the overwhelming presence of religious PHEIs in many countries of the continent. This new development may be partly attributed to the rise of the for-profit sector over the last two decades.

The presence of family-owned institutions can be influenced by the dominant type of private institutions operating in a given country. Their availability in countries such as Congo, Kenya, Liberia, Nigeria, Tanzania, and Zimbabwe, which are dominated by religious PHEIs, is still limited but growing. Indeed, the categories of “religious” and “family-owned” are not mutually exclusive, as some families or individuals are involved in the establishment and/or ownership of religious (and other nonprofit) PHEIs.

Yet it is especially in countries such as Benin, Botswana, Ghana, Egypt, Ethiopia, Mozambique, Senegal, South Africa, Sudan, and Uganda, where the for-profit sector is gaining ground against religious PHEIs, that the family-owned phenomenon is especially strong. Where for-profit private institutions are legally allowed, they may provide ample opportunities for individual/family ownership to thrive. Ethiopia represents an extreme case, as the bulk of PHEIs (more than 90 percent of 130 accredited institutions) are owned by families and individual proprietors with profit motives. In contrast, in many countries family-owned institutions might not exceed 3–5 percent of PHEIs.

Nature of Institutions
Most family-owned institutions in Africa exist as nonuniversity or professional schools with vocational orientations. Nonuniversity PHEIs are, for instance, most common in Botswana, Lesotho, South Africa, and Tunisia as compared to Ivory Coast, Kenya, Nigeria, Tanzania, and Uganda, where private universities are available. In most cases, family-owned PHEIs with business orientations share the characteristics of demand absorbing, for-profit institutions. Most are small in size and offer programs designed to respond to market demands. Aside from the initial investment of their proprietors, they are heavily dependent on student fees, with little or no external support or income-generating activities. This heavy dependence on student fees can influence the way they are structured and managed.

Whereas academically excellent private institutions in Africa are most often religious, the majority of family-owned institutions are teaching institutions with little involvement in research and graduate studies. However, there are exceptions, as in the case of Morocco where government policy encourages PHEIs to assume elite status. Though quite few, there are also family-owned institutions in Ghana and Ethiopia that have succeeded in achieving a high level of credibility in terms of program quality.

Strengths and Deficiencies
The wider acceptance of family-owned PHEIs is deter-
mined by their capacity to reconcile the elements of profitability with the academic orientations required at the tertiary education level. Notwithstanding challenges, achieving this needed balance is not always impossible, as the success of some institutions on the continent shows. Successful family-owned PHEIs are generally more nimble than other HEIs. Little deterred by the bureaucracy and red tape that commonly afflicts public HEIs, successful family-owned institutions are characterized by their dynamism, innovativeness, efficiency, and flexibility, which are critical to institutional success. Due to their interest to ensure social and economic viability, successful family-owned institutions minimize institutional spending, promote strategic planning and marketing, maintain contact with employers, offer job-placement services, student counseling and support, and promote increased accountability of their staff. They can have a strong commitment to community outreach programs, which include providing free professional services, contributions to charity, participation in local projects, and social initiatives like environmental protection, feeding the homeless, and assisting the community through capacity building training and donations.

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Although there are family-owned institutions set up by proprietors with altruistic motives, a significant percentage of them are driven by owners whose prime goals are financial. Such institutions can have family members that assume key positions with little training and experience in running institutions. Institutional activities can be seriously jeopardized when the preparation, vision, and behavior of proprietors are not in tune with institutional needs and goals. Similar influences may be found in all forms of PHEIs as compared to their public counterparts, but they are magnified in poorly run family-owned PHEIs. One of the major reasons for the closure of many such institutions in various parts of Africa has been their owners’ excessive profit drive, compromising the provision of quality higher education.

Where there is little self-control, the power that proprietors wield on the daily operation and future direction of the institutions is also a serious drawback to their social and academic legitimacy—which is critical to their wider acceptance. Proprietors who perceive their institutions primarily as business entities can use their key positions to dictate institutional directions and operations. Such examples abound in many countries in Africa. The overbearing influence of proprietors is usually exhibited in such areas as unbridled expansion, little attention to long-term commitment, diverting earned profit to nonacademic purposes, arbitrary appointment of staff and managers, interference in academic affairs, and imposing authoritarian governance systems. Major decisions on important institutional issues may not be openly shared and discussed. Proprietors who act without due process of law and procedures infringe on the participation, authority, and decision-making powers of their chancellors and/or staff, in addition to eroding employee confidence and disrespecting individual rights and/or academic freedom. In Ethiopia, the influence of such proprietors is so pervasive that it usually determines the success or failure of their institutions. Similar observations abound across the continent and sometimes cast doubt on the wisdom of allowing such institutions to operate without legal restrictions in matters that are critical to institutional operations.

In conclusion, while the increasing involvement of family-owned PHEIs in the African higher education context requires better understanding of their nature, operations, and potential, their rise and the corresponding growth of the for-profit PHE sector appears likely to continue. Their wider acceptance, however, hinges on the manner in which these institutions operate and/or to what extent the institutions are able to resist the whims and shortsightedness of profit-mongering proprietors.

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The Thorny Excellence Initiative in India

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