administrative oversight, and a shortage of policies that are specific in nature and issued in a timely fashion.

There is not yet a well-developed legal infrastructure that defines the precise relationship between nonpublic institutions and the Ministry of Education and Training (MOET). Since 1993, when the first nonpublic university was officially established, MOET has issued only one regulation on people-founded institutions. The fifth draft of provisional regulations on semipublic and private institutions was discussed at a meeting held in December 2002 at the ministry. The draft consists of numerous conflicts and inconsistencies between chapters and articles such as those on mission and ownership. Participants were resentful about prematurely discussing the draft in detail, comparing the current state of affairs with "putting the cart before the horse"—in reference to regulations on higher education in Vietnam that do not yet exist.

The lack of a regulative framework and an accreditation system has adversely affected public confidence in the nonpublic sector. Administrators at a number of nonpublic universities and colleges have abused their power, taking financial advantage of both students and their parents. The Taiwan Asian International University (AIU), for example, which was established in cooperation with Hanoi University of Foreign Languages in 1995, turned out to be a hoax. After five years of operation, AIU left more than 2,000 students and their families with no place to go after losing hundreds of thousands of dollars. This led to the removal of MOET vice minister, Vu Ngoc Hai. In another incident, Dong Do University recruited twice as many students as capacity allowed.

There is a pressing need to require nonpublic institutions of higher education to be subject to routine auditing and to submit transparent annual financial reports.

Clearly, there is a pressing need to require nonpublic institutions of higher education to be subject to routine auditing and to submit transparent annual financial reports. In addition, there should be healthy competition between public and nonpublic higher education institutions for government grants. While public institutions are encouraged to carry out entrepreneurial activities to increase their revenue, it is unfair to leave nonpublic institutions on their own while in fact they are easing the burden of excess demand on the state.

Given the dismal state of nonpublic higher education, the government should establish a special task

force that would consider relevant experience of other countries. Japan, South Korea, the Philippines, and Indonesia have a long history of private education. China, Vietnam's role model in some respects, recently passed a private higher education law that could serve as a useful guide. Instead of holding more conferences on provisional regulations with heated debates that are often unproductive, Vietnam must take a much more practical and proactive approach in order to learn from other countries' successes as well as their mistakes—in the finest tradition of comparative education.

Private Higher Education in China: A Contested Terrain

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Private higher education in China has been a contested terrain with regard to control and autonomy. Private universities are calling for a loosening of government controls. Government officials argue that the private sector requires vigorous supervision and control. Both sides can cite convincing reasons, but neither can convince the other.

Private universities have been complaining that the government has maintained too much control over everything, giving them little autonomy. For example, institutions cannot decide what programs to offer or how many students to admit, and they cannot issue their own degrees. They are also critical of the government pulling the carpet from under them: the government in recent years has allowed public universities to set up private colleges—called second-tier colleges—that use state property and rely on the reputation and resources of public universities to run profit-making education businesses.

Today, there are 300 second-tier colleges, and the number is increasing fast. The first such organization was formed by Zhejiang University. Called City College of Zhejiang University, the college was jointly owned by Zhejiang University, which sent in its administrators and teachers; by the Postal University of Hangzhou, which offered its campus as the site of the college; and by the local government, which provided one-third of the funding. Government officials consider second-tier universities to be an effective way to expand opportunities. In Zhejiang, more than 33 percent of higher learning opportunities are provided by the private universities and second-tier colleges. Private universities, however, see this

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policy as a clear violation of the 2002 Law for the Promotion of Private Education, which establishes that private schools and universities are to be privately established and administered.

Government officials claim that private universities seek to manipulate official policy in the interest of profit making, in the process damaging or undermining the rights of students and parents.

In contrast, government officials claim that private universities seek to manipulate official policy in the interest of profit making, in the process damaging or undermining the rights of students and parents. They complain that private universities lack "self-discipline." Government officials see themselves as standing on higher ground to safeguard student interests and to monitor the behavior of private universities. It is thought that controls are needed or chaos would ensue.

Who is at fault? How can one find the right mix between government control and autonomy for private universities? Private universities see their priorities as based on market needs and believe they should be allowed to operate on market terms, with their admissions policies and program offerings driven and regulated by the market. They stress that they are *not* public universities. In contrast, government officials, who are responsible for potential crises, see education as too sensitive and delicate an arena to allow big mistakes to occur. Therefore, government officials insist on executing close supervision of private higher education. Private university presidents have been asking how government supervision can be maintained without strangling the vitality of private universities. Government officials have been asking how autonomy can be granted to private universities without creating chaos. These are issues that seem very difficult to resolve in China today.

The 2002 Law for the Promotion of Private Education was praised for the support it gave private education. However, in October of last year, participants at a conference in Nanjing bemoaned the fact that the "winter of private education" had set in—first of all because this law had been so very unimplementable. It is called an "immature law," with many details still under intense debate, especially the clause that "private investors can have a reasonable return on their investment." While the law makes society believe that they are equal to public universities, private universities still face great difficulty in getting permission from the government to offer bachelor's degree programs; they are still kept from

admitting students until after public universities have admitted theirs. They can now easily be charged with running "illegal operations," since many activities that were once considered "borderline" and were dealt with by government offices with "one eye closed and one eye open" have become illegal under the law. Government officials in many local areas have been deliberately vague about their attitudes toward private education.

The new law requires many government offices to make definitive decisions on the performance of private schools and universities. Private universities thus have charged that the new law fails to give private universities the expected protection but rather opens the way for government schools, state banks, and local governments to combine resources to edge out private universities. A sense of crisis has been looming for many private universities, which came into existence in the 1980s and have been growing since then. The collaboration between public universities and local governments in setting up private colleges has instantly taken away the advantages of private institutions, which were able to respond to the needs of the economy with their highly flexible administrative structure and programs.

In summary, the passing of the private higher education law has not created a big boom for private universities. The balance between autonomy and control is hard to maintain. Private universities in China will need many years to establish their credibility and reputation and gain the autonomy they have coveted. They face competition on all fronts and now have an even bigger challenge of surviving the advent of pseudoprivate second-tier colleges.

International Students in Russia

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Presently, about 100,000 international students are enrolled at Russian higher education institutions. Their expanding numbers are considered one of the most important trends in Russian tertiary education. Policymakers emphasize that higher education, along with oil, has the potential to become a key export industry in the Russian economy that will earn billions of dollars, as is the case in the United States, Australia, and other countries. However, currently the presence of international students in Russia yields only about U.S.\$150 million annually.