The Privatisation of Higher Education: comparative perspectives
The Expansion of Private Higher Education

Worldwide, participation rates in higher education are increasing rapidly, and this has led to diversification in its provision (Schofer & Meyer, 2005). While some countries, such as the US, have a long tradition of private higher education, many others — for example, in Europe or in Africa — have only recently ventured into this domain. Scholars of this research strand tend to focus their analyses on private higher education institutions. Since these may be run on a non-profit or a for-profit basis, it is their independent legal status that distinguishes them from public-sector institutions. Here, privatisation can be considered as referring to the expansion of private higher education institutions within a given higher education system. Over the past decades, the growing demand for higher education has been partially absorbed by private higher education. While it may offer greater access to higher education and promote social mobilisation, it also raises pressing questions about quality, transparency, and regulation (Robertson & Dale 2007). The first part of this issue features articles that examine private sector enrolment from a macro-comparative perspective. Levy’s article offers a comparative historical analysis of the development of private higher education in Europe, providing insight into the peculiarities of European higher education and its potential for privatisation. Reisz and Stock follow with an investigation of the relationship between private higher education attainment and the wealth of nations, as reflected by per-capita GDP. Their quantitative, cross-sectional analysis shows that a simple, generalised description of the relationship between enrolment in the private sector and the wealth of nations does not exist.

Editorial

Georg Krücken & Kathia Serrano-Velarde

Privatisation may well be one of the most important and contested trends in contemporary higher education. Its rapid spread in higher education systems across the world (Kim & Woo, 2009; Bernasconi, 2008; Levy, 2006; Narayana, 2006; Kolesnikov et al., 2005) and the increasing diversity of its forms and practices represent a challenge for researchers, practitioners, and policymakers in the field of education. It is these challenges we would like to address in the first part of this issue of EJE. Although the existing literature offers — with varying degrees of polemics — different ways of understanding the word privatisation, an unbiased sense in which the term is used here; it thus includes the creation of private training and research institutions, the introduction of private capital into public institutions, and the movement of ideas and ideologies. Consequently, the articles we have gathered for this special issue come from three different strands of research: (a) the expansion of private higher education institutions, (b) hybrid financial arrangements and the growth of private investments in public universities, and (c) the ideological underpinnings of privatisation and their impact on students and faculty.

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Private Investments as Cost-sharing

Greater access to higher education has made public universities a heavier financial burden for States, and evidence suggests that public expenditures have not kept pace with this growth, resulting in a large decrease in per-capita funding. This has forced public higher education institutions and their stakeholders to search for alternative sources of funding, and, increasingly, to engage in activities that generate revenue. This trend has brought with it a host of conflicts and problems (Weisbrod et al., 2008; Slaughter & Leslie, 1997). In the US for instance, the 2008 economic crisis led to massive cuts in public spending on education, forcing universities to increase tuition fees. This, in turn, sparked social outcry about the affordability of higher education. In Europe, on the other hand, seeking philanthropic contributions to higher education is a delicate matter, since there is no 'culture of giving' in higher education, where students feel little personal commitment to their alma maters and tend not to recognize their entrepreneurial qualities. Efforts in Europe to establish academic fundraising or sponsorships have thus remained marginal and misunderstood. This research strand understands privatization as the hybridization of public and private elements within higher education institutions. The second section of this issue contains three case studies, each of which offers a distinctive and historically informed description of a path towards the privatization of higher education institutions.
The article by Orlanda Tavares and José Brites Ferreira analyses the reasons and motivations that attract Portuguese students to higher education and which are the more relevant factors they consider when choosing a higher education institution. It presents the preliminary analysis of the results of a questionnaire filled in by 11,467 students entering different types of higher education institutions in 2006/07.

The article by Ekrem Erdem and Can Tansel Tugcu analyses the short and long-term relations between higher education and unemployment in Turkey. The cointegration and error correction analysis show that higher education is one of the factors which increases the unemployment rate both in the short and the long-run. In addition, findings of causality analysis reveal that there is a bi-directional causality between higher education and unemployment and support evidence in favour of Plümper and Schneider (2007)’s theory. The study concludes that, if governments wish to benefit optimally from the higher education graduates in Turkey, they should not invest more in higher education than the economy needs.

The article by Ides Nicaise analyses the issue of social inclusion. Despite sustained efforts to combat poverty at local, regional, national government and EU-levels, 84 million Europeans live in poverty. Not surprisingly, there is a strong correlation between the poverty risk of households and the level of education of the household head. Families with a low-educated head face a poverty risk which is twice that of those where the head has completed secondary education, while the risk of the latter is twice that of families where the head has a higher education diploma. The odds ratios are greater in the new Member States.

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Acknowledgement

We would like to thank the speakers and participants of the international symposium ‘The privatization of higher education: Private investments for the common good?’ (October 2011, Heidelberg) for their excellent comments and enthusiasm. Financial support from the Manfred Lautenschläger Foundation is gratefully acknowledged.

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