PRIVATE SUPPLY IN EUROPEAN HIGHER EDUCATION – MAJOR PATTERNS AND CHALLENGES

Pedro Teixeira – CIPES and U. Porto
Private Higher Education in Europe:

• Changing Times in Higher Education
• Public-Private Mix – Old and New realities
• Profiles of the Public and Private Sectors – expectations and realities
• System and Institutional Challenges
Changing Times in Higher Education
Global Growth in HE – Numbers of Students:

- **Total:** 79M (1995) – 196M (2012);
- **China:** 5,2M (1995) – 32,6M (2012);
- **India:** 6,5M (1995) – 17M (2011);
- **Brazil:** 2M (1997) – 5,8M (2011);
Share of the Adult Population that has Completed HE – 2000-2012
Financial Advantages Associated with Higher Qualifications

Wage Premium between levels of Education (2009 or most recent year)

Index

- Brazil
- Hungary
- Slovenia
- Czech Republic
- Slovak Republic
- United States
- Portugal
- Poland
- Luxembourg
- Ireland
- United Kingdom
- Netherlands
- Germany
- Austria
- Switzerland
- Israel
- OECD average
- Greece
- Italy
- Turkey
- Japan
- France
- Finland
- Spain
- Canada
- Estonia
- Australia
- Belgium
- Korea
- Norway
- Denmark
- Sweden
- New Zealand

Below upper secondary education

Tertiary education
Financial Challenges:

- Growth in Tuitions Fees (U.S.A.):
  - Private Universities - 28% between 2003-2012 (average cost $30,000);
  - Public Universities - 27% between 2008-2012 (average cost $8,400-$19,000);
- Total debt - $1.2 trillion;
Technological Challenges:

- Possibilities and opportunities;
- Lower costs;
- Partnerships between Universities and Companies;
- Threat mainly to less prestigious traditional institutions;
Growing Mobility of Students

Number of Students Enrolled in another Country – Full degree

Source: OECD
Changing Public-Private Mix in European Higher Education
Higher Education in Europe – Historical Background:

- Private HE - an Old and New Reality;
- An history of growing State influence;
- Material and symbolic support to Public HE;
- Legal homogeneity;
- Absorption of Graduates;
- Influence even upon Privately owned HEIs;
Private Higher Education in Europe – Recent Trends:

- Advances of Marketization and Privatization in HE;
- Continuous expansion of HE;
- Growing Costs – Total costs and costs per student;
- Challenges of Mass HE;
- Regulatory and Technological changes;
Private Higher Education – New Developments:

• Development of For-Profit Private HE (actual vs. formal).

• Large International Groups:
  • More specialized profile;
  • More aggressive attitude;
  • Professional management;
  • Threat to traditional Private HE;

• Transnational Higher Education.
Private Higher Education in Europe:

• How significant is Public and Private HE across Europe?
• How different are Public and Private HE across Europe?
• Differences in Size?
• Patterns of Specialization?
• National and Historical differences?
• Relevance of the timing of Expansion?
Private Higher Education and Europe:

- EUMIDA and ETER Projects – EUROSTAT and EC
- Exploring the creation of an European Database of HEIs
- Data for Year 2008 and 2012
- 29 Countries (27 plus Norway and Switzerland)
- Ca. 2,500 HEIs included
- 2 sets of Data – basic and extended (Research Active HEIs)
### Characteristics of HEIs by legal status (median by type)

(Source: ETER – 2014)

<table>
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<tr>
<th></th>
<th>Number of HEIs</th>
<th>Total academic staff (FTE)</th>
<th>Total students enrolled ISCED 5-7</th>
<th>Total students enrolled at ISCED 8</th>
<th>Tuition fees / total budget</th>
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Undergraduate students by HEIs legal status by country
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Private Higher Education in Europe:

• Smaller size of the Private Sector.

• Smaller average size in enrolments.

• Significant differences across Europe.

• Countries with significant Private presence (BU/CY/ES/HU/LA/PL/PT/RO/SK).

• Countries with no Private HE or almost none (A/CH/IE/FI/GR/LX/NL/UK).

• Limitations of Official data – Private HE not always visible...
Profiles of Public and Private Higher Education
Research Active HEIs:

- The existence of official Research mandate
- Existence of Research Units institutionally recognized
- Inclusion of R&D statistics as sign of institutionalized activity
- Awarding Doctorates or other ISCED 6 Degrees
- Consideration of Research in institutional Strategic objectives/plans
- Regular funding from Public Agencies/Private Companies
- Data for 15 Countries
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<th>Country</th>
<th>Nr. Institutions</th>
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Relative weight of the RAIs in the public and private sectors in terms of enrolments
Private Higher Education and Europe:

- Under-Representation of the Private Sector in RAIs
- Teaching emphasis
- Cost of Research
- Recent development of many Institutions
- Staff composition
- Quantity vs. Quality
Average Number of Educational Fields – Private Sector

- Research Active
- Core

Weighted average (enrolled students) Number of Educational Fields – Private Sector

- Research Active
- Core
Changing Public-Private Mix in European Higher Education – Systemic Challenges
Private Higher Education in Europe - Summary:

• Diverse sector and with growing differentiation in types of HEIs;
• Smaller, more specialized, more regionally concentrated;
• Lower research activity and intensity;
• Strong risk aversion;
• Support for expansion efforts (demand-absorption);
• Weak complement to Mass Public HE.
• Issues of academic, political and social legitimacy;
Private Higher Education - Regulatory Challenges:

• Private HE as a part of the HE landscape.
• Need to deal with different types of Private HE.
• Blurring differences between Public and Private HE.
• Need for greater political and social legitimacy.
• Quantity and Quality of Information to all Stakeholders – Accreditation/QA.
• Public missions of Private HE – funding instruments?
• Managing expectations and realities about Private HE.
• Devising coherent policies for a more complex HE system.
Muito obrigado!

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