Privatization: A Growing Trend

offensive since the late 1990s. This offensive mood manifests itself in everyday resistance in public spaces, where people openly challenge the values, symbols, language, and repressive organs of the theocratic state. Thus, much like the situation in the monarchical regime, while the state is still in charge of the administration of public universities and while private institutions are administratively and politically loyal, the student body has seriously challenged the state, and some have called for the overthrow of the regime through a nationwide referendum. Under these conditions, while the political atmosphere of the campus has changed, faculty and students enjoy no academic freedom and there is a noticeable absence of university autonomy.

Student Reactions

Ironically, soon after the end of eight years of war with Iraq (1988), Islamist students began protesting the policies and practices of the government, its corruption and repression, and its inability to improve the economic conditions of the country. A decade later, these "unruly subjects" (i.e., students) began a major uprising, in July 1999, in response to a brutal midnight attack on a dormitory by security forces. The six-day protest shook the Islamic state, but was violently suppressed. On the fourth anniversary of this uprising (July 2003), the student movement was even more radical. Some of the slogans called for the overthrow of the Islamic theocracy. Now, 25 years after the revolution, the student movement is calling for separation of the state and religion. It aims to achieve this goal through a national referendum, which is expected to put an end to a quarter century of Islamic theocracy.

The Privatization of Kenyan Public Universities

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Research on private higher education, from studies by Daniel Levy onward, has analyzed private-sector challenges to public dominance in higher education. As the contemporary Kenyan case shows, however, we now also see public-sector challenges to recent private growth. Worldwide, one challenge lies in the public rules

or regulations, such as accreditation. Another, the subject of this article, lies in the (partial) privatization of public universities.

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Kenyan private higher education has a longer history, compared to most of Africa, and antedates the public privatization movement. The private sector's accelerated expansion, rising status, and official recognition from the late 1980s led to concern and reaction from the public sector. Private universities in Kenya grew in number, going from 3 to 17 in just two decades. In comparison, there have been only 6 public universities during the four decades since independence. As elsewhere in Africa, private expansion sprang forth largely due to the public system's failure to meet the demand for higher education. Private higher education has registered steady increases in enrollment. Some universities—such as the United States International University (USIU), the largest of the privates—have waiting lists of applicants. Public universities responded to this development by mounting privately sponsored Module II programs. Such programs are increasingly common not only in Africa but also in Eastern Europe and other regions that have seen rapid emergence and growth of private higher education and now see publicsector reaction.

For one thing, tuition is as high in Kenya's Module II programs as in similar programs at Kenya's private universities (sometimes even higher because the publics have the advantage of more qualified staff, better facilities, and, crucially, name recognition). The public Module II programs include some fields only peripheral to the curriculum at private universities in Kenya (medicine, engineering) but that privates in some countries have been able to build up over time. The Module II programs include some that have been "safe havens" for privates (e.g., business). For instance, while total enrollments at the USIU (popular for its business courses) was 2,931 in 2002-2003, Module II business programs at the largest public institution, the University of Nairobi (UoN), alone enrolled 2,683 students. Overall, just over half of UoN's 27,839 students were enrolled in Module II programs. All its (1,220) nondegree (diploma) students were in Module II, and at the postgraduate level there were twice as many as in regular programs. Thus, in 2002-2003, the university raised U.S.\$15,914,639 from these programs. This is

equivalent to two-thirds of direct government funding and one-third of the university's total income. At Kenya's four major private universities, tuition income averages 72 percent of total income.

One result is that while public universities increase their enrollments and financial healththanks to privatization—and despite there being three times as many private as public universities, the private share of enrollments is declining. From 20 percent in 1999 and 16 percent in 2001, the enrollment share fell to 13 percent in 2003. Privatization of the publics thus appears to be occurring at the expense of private growth. The sustainability of this tendency is contestable, but all indications are that enrollments in the Module II programs have yet to surge. This point does not negate the fact that private enrollments continue to grow (by 16 percent over the last three years) and that the public-sector increase has much to do, as in China, with previously low public enrollments.

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Pointedly, the privates seem to have been unprepared for the current privatizing trends in the publics. A fundamental question then is what the future holds for the privates and the publics. Clearly, privatization will continue—whether at public or private institutions. The privates would have to chart out effective responses to the privatizing public institutions and innovate to remain competitive. Initially, at least, the privates have failed to uphold the behavioral characteristics of business, not countering fresh competition effectively, despite having some clear comparative advantages.

While Kenya's privatizing public universities challenge their private counterparts, both face increasing entrepreneurial challenges from foreign universities operating with local Kenyan colleges. Examples include the University of South Africa, University of London, Technikon of South Africa, the University of Free State, the Australian Studies Institute, and a consortium of British universities represented by the British Council. Foreign universities have taken advantage of the liberalized environment and have brought the competition to the door of local universities. Only the public universities seem to mount credible responses to this challenge, interestingly by franchising local private tertiary colleges to offer programs on their behalf.

In conclusion, while private higher education claims internationally to represent the entrepreneurial alternatives and future growth, Kenya shows the limitations of this trend. It appears that public and foreign institutions might fight for entrepreneurial terrain, thus placing a fresh challenge before private universities.

Transition to Privatized, Globalized Higher Education in Israel

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The gap between the high demand for and low supply of higher education has created pressure to open Israel's institutions of higher learning to a wider circle of potential students. This pressure, accompanied by economic strains, has instigated changes in the system. The awarding of academic degrees was no longer the exclusive role of Israeli universities. Privatization, begun in 1974, was joined by globalization in the mid-1990s. The entire process occurred in four stages over 30 years: the establishment of the Open University (1974), academization of the teacher training colleges (1981), passage of legislation concerning the status of colleges (1995), and the opening of foreign university extensions (1998).

Establishment of the Open University, 1974

The Open University delivers courses leading to the B.A. by means of long-distance teaching. In contrast to other institutions of higher learning, its minimal entrance conditions—no high school matriculation diploma or college entrance examinations are required—permit all applicants to be accepted. The number of students studying at the Open University reached almost 25,000 in 2003. The median age of its students—30 to 35—is higher than that of students at the universities. The Open University enrolls a larger proportion of students: about 25 percent versus 9 percent, respectively. In addition, the geographic spread of its students is wider, with students residing throughout the country, although the ethnic distribution of its students resembles that found in the universities. The Open University is autonomously governed, is state supported with funds provided by the State Planning and Grants Committee, and operates by the authority of the Council of Higher Education. As of the 1990s, the university has been licensed to award a master's degree in a limited number of disciplines.