

# *Privatizing High Education: Issues & Perspectives*

IPAR's Annual Research Conference 2011

# The Main Question

- Privatizing Education: Can the Market place deliver Choice, Efficiency, Equity and Social Cohesion?

# Changing Scene

- Globalization has meant a series of very important changes for society on all fronts, and consequently for the higher education systems as well.
- Unfortunately, this increasing demand has not been accompanied by an economic support. On the contrary, in many developing countries, the fiscal crisis has caused the reduction of social investment and consequently, the **decline of financial support for universities.**

# Changing Scene

- Public universities, in particular, need to address increasing concerns. The new global development system seems to favor a perspective in which knowledge is just a commercial product. This encourages the action of universities to reestablish the concept of education as a social asset, and therefore, the need to democratize the access to the knowledge of relevance and excellence.

# Can the Market place deliver Choice, Efficiency, Equity and Social Cohesion?

- The Core function of the market place is to minimize costs and maximize profits.
- On the other hand the traditional core function of higher learning education is to provide quality education, Research and Community Service?
- On the face of it, these two functions seem to conflict

# Fundamental Questions

- The first fundamental question is, can the core functions of education be reconciled with the core function of the market place? If yes, how?
- The second is the question that I began with, Can market place deliver choice, efficiency, equity and social Cohesion?

# Securing a Sustainable Future for Higher Education in the Face of Market

- Principles for reform:
- There is a wide consensus that the current system needs substantial reform.
- Reform must be holistic so that the entire system is guided by common principles.

# Securing a Sustainable Future for Higher Education in the Face of Market

- **Enhancing the role of student choice:**
  1. Student choice should drive up quality.
  2. Students need access to high quality information, advice and guidance in order to make the best choices.
  3. Providing students with clearer information about employment outcomes should close the gap between the skills taught by the higher education system and what employers need.
  4. The higher education system should expand to provide places for everyone who has the potential to succeed – and the expansion should follow the choices made by students.



# Securing a Sustainable Future for Higher Education in the Face of Market

- **The Student finance plan that enhances equity:**
  1. students should have a minimum amount of support for living costs, especially those from low income backgrounds
  2. Cost-sharing should be introduced with students funding most of their studies through a well thought robust student loan scheme;
  3. Ideally, there should be no upfront costs from the students especially those from the low income backgrounds.
  4. Support for the costs of learning and living should largely come from banks, not from government.

# Securing a Sustainable Future for Higher Education in the Face of Market

- **Safeguarding the public interest in the higher education system:**
  1. A successful higher education system should require targeted regulation that safeguards the public interest.
  2. Public investment should be targeted on the teaching of priority subjects.
  3. The Higher Education Council should provide students with assurance of the quality of courses – and there should be more qualified teachers.
  4. The Higher Education Council should target funding to improve access and completion rates for students from disadvantaged backgrounds.

# Securing a Sustainable Future for Higher Education in the Face of Market

- **Safeguarding the public interest in the higher education system:**

5. The Higher Education Council should monitor the effects of competition and ensure that it is meeting the interests of students.

6. The Higher Education Council should adjudicate on disputes between students and institutions.

# Securing a Sustainable Future for Higher Education in the Face of Market

- **In a nutshell, the HEC should take a more targeted approach to regulation with greater autonomy for HEIs:**
- The Council should be independent from Government and from HEIs. It should have five areas of responsibility:
  1. **Investment** – identifying and investing in high-priority courses; evaluating value for money; dealing with the unexpected, with the primary aim of protecting students' interests
  2. **Quality** – setting and enforcing minimum quality levels across the whole sector

# Cont'd

4. **Equity of access** – making sure that individual HEIs, and the sector as a whole make measurable progress on admitting qualified students from disadvantaged backgrounds
5. **Competition** – ensuring that students get the benefits of more competition, by publishing an annual survey of charges, looking after the interests of students when an HEI is at risk and regulating the entry of new providers
6. **Dispute resolution** – students can ask the Council to adjudicate on a dispute that cannot be resolved within their HEI, and the Higher Education Council can provide a decision which binds both sides

# Securing a Sustainable Future for Higher Education in the Face of Market

*The Higher Education Council will explain how it is investing taxpayers' money, and safeguarding students' investment in higher education through an annual report to Parliament.*

# CONCLUSION

- To answer the question that I posed at the beginning, Privatizing Education: Can the Market place deliver Choice, Efficiency, Equity and Social Cohesion? My answer is yes, if the regulations can ensure:
  1. **Participation:** higher education expands sustainably to meet qualified demand, with access for anyone who has the talent to succeed.

# CONCLUSION

2. **Quality:** Institutions actively compete for well informed, discerning students, on the basis of price and teaching quality, improving provision across the whole sector, within a framework that guarantees minimum standards.
3. **Sustainability:** Increased private contributions and more targeted public investment to support high quality provision and allow the sector to grow to meet qualified demand.





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