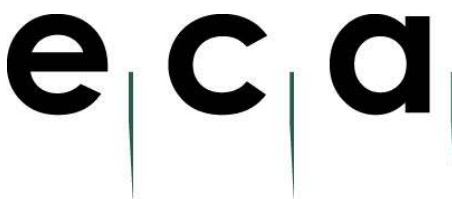


Discussion paper

Private Higher Education Institutions and Quality Assurance

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european consortium for accreditation

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1. Introduction

In almost all European countries private higher education institutions (PHEIs) form a considerable part of the Higher Education sector. In some countries the number of PHEIs even outnumbers the public HEIs. The reasons for the rise of PHEI's are manifold: in some countries the number of students has grown so hard that the public sector has been unable (maybe even unwilling) to accommodate the enormous number of new students. PHEIs have jumped into this hole and have developed themselves as a necessary part of the sector. In other countries governments explicitly organized competition between public and private HEIs to challenge the public ones to become more responsive and innovative. A closely connected reason for the rise and growth of PHEIs has been the liberal ideology of governments to open up "markets" where educational entrepreneurs have discovered new possibilities. And it is for sure that in the field of lifelong learning the need and the demand for "executive programmes" has become important as a tool for personal development, career possibilities and prestige. A large part of public HEIs are not very well equipped to deal with these requests from an older, more experienced, working student population. A last reason for the success of PHEIs are the possibilities for specialization they deliver: in private higher education the number of "niche players" is relatively large.

In almost all countries, except for Denmark, the ECA members are confronted with the existence of (a considerable number of) private HEIs. The rules for evaluating or accrediting them or their programmes in general are not different from those for public HEIs (with the exception of Austria and to a lesser extent in Germany and Switzerland), and there doesn't seem to be a legal need to do so. In some countries though quite some experiences with the evaluations of (programmes

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of) PHEIs have been gained, which throw specific lights on the ways PHEIs function and on some risks in their behaviour. That is the reason why the ECA partners think it wise to publish a paper with special attention for the risks in evaluating or accrediting these institutions and/or their programmes.

After all, one of the goals of the ECA consortium is to facilitate the development of the European Higher Education Area through the mutual recognition of accreditation decisions. That should mean that not every single decision should be checked by the partners or the recognition authorities, but that partners accept the results from the accreditation systems as a whole. This goal can only be reached through trust in the ways the accreditation decisions are reached: trust in the procedures, trust in the outcomes and thus also trust in the way the accreditation agencies deal with all types of HEIs they are responsible for. From this perspective one should read this paper as an “eye opener”, as an overview of theoretical and empirical risks, and thus as a facility to the review committees and the agencies.

In this paper we deal with the specific characteristics resulting in specific strengths of the private higher education sector (chapter 2), with the definition of “private higher education institutions” (chapter 3) and with the diversity of this sector, which has been translated into a number of dimensions to classify the PHEIs (chapter 4). Based on these dimensions we concentrate ourselves on the risks we see in the accreditation or evaluation of the programmes the PHEIs deliver (chapter 5), and in the institutional accreditation or evaluation (chapter 6). We conclude in chapter 7 with recommendations for the QA agencies in evaluating PHEIs.

2. Specific characteristics and possible strengths of PHEIs

Obviously, it would be interesting to know more about the reasons for the existence and the growth of the PHEIs. But on the other hand, it is not the concern of quality agencies to call into question whether private higher education is desirable or not: they are just part of “quality assurance life”: PHEIs are here to stay and it is more important to identify the possible strengths but also the risks and feasible weaknesses involved in order to cope with them adequately.

A caveat however may be necessary: by pointing out the characteristics and possible strengths of the sector our focus is not a value judgement, but we want to underline the importance and the meaning of the sector, in so far as it is contributing to the development of the EHEA and the goals that are set by the Bologna and Lisbon declarations.

At large we distinguish a number of specific characteristics of PHEIs:

1. Demand-driven: quite a number of PHEIs are established because of specific demands from the labour market. Employers, corporations and even governments may have specific wishes for education of their staff, especially after they have been working for a couple of years. Private institutions seem to be more apt to react to these wishes;
2. Customer-oriented: since the majority of PHEIs is dependent of all types of private funding and fees, they are more inclined to listen to their students and treat them as customers. The satisfaction of the students with the PHEIs is in general quite large. Of course the PHEIs have to satisfy their “customers”, since they might stop their studies or move to another provider. That means a loss of income which might influence the existence of the PHEI;
3. Innovation: PHEIs seem to have more possibilities to develop innovative ways of teaching and learning. PHEIs have less trouble with vested interests, which may

- paralyze innovation. Some experiences suggest that PHEIs are therefore drivers for innovation, both in pedagogical methods and in the content of the programmes;
4. Other types of students: a large number of the public HEIs still are mainly directed towards their traditional clientele, young students in the age of 18-25 years. Most of these HEIs have trouble organizing themselves to be able to deliver programmes for other types of students: those that work, that combine jobs and studies, women entering the labour market after their motherhood, etc. PHEIs seem (better) able to respond to the specific wishes of these types of students;
 5. Lifelong learning: in addition to that, PHEI' seem better inclined to open up to the necessity of lifelong learning. It might be true that students in their initial programmes are taught to develop an attitude of "learning to learn" and "continuous development", but in reality the same HEIs that teach those attitudes are not able to put that in practice. PHEIs are more "lean" and are able to react directly and quick to new questions and demands by offering courses, programmes, trainings, executive courses, modules etc.
 6. Success rates: in some cases it is striking to see that PHEIs seem more efficient and effective than public HEIs. In quite a number of cases both the number of students that get their degrees and the duration of their periods of study appear to be better than those in the public HEIs. Of course the customer-oriented attitude of the PHEIs will stimulate these results, but the way PHEIs have to take care of their finances might have led to more effective teaching methods as well!

3. Definitions or differentiations of PHEIs

It is probably impossible to find a definition which will cover all different types of private HEIs. It is evident that the legal form of the HEI is not decisive to characterize a HEI as a private one: we see associations, foundations, companies, and private persons, even local or regional governments that might be the “owners” of PHEIs and look for the most appropriate legal form in which they will execute their activities.

The way the PHEIs are financed is neither decisive. The Austrian private universities, for instance, are not financed by the national government, but may be funded or subsidized by the regional or local governments. In the Netherlands some religious “private HEIs” are not financed but subsidized by the national government, which makes a difference for the legal relationship between the HEI and the government.

It seems therefore necessary to define in each national context separately what (type of) HEIs are private ones. We again give two examples. In the Dutch case the term “private HEI” is used for those HEIs that don’t have any financial relation with the government. These HEIs will receive their money through fees, contributions from employers, private money of the owners/entrepreneurs or other ways of private financing. In Austria the term “private university” is used in a strict legal form: it refers to institutions that are not established and governed by federal law, but must be a legal person based in Austria. The right to run a private university must be awarded through state recognition. Public funding or subsidies have been excluded only on the national federal level, but not on the regional or local level. The difference between only these two definitions is large and proves the difficulty of speaking about “private HEIs” as one type of institutions.

In presenting the different national, legal definitions of private HEIs we will restrict ourselves to those PHEIs that have to be accredited or evaluated by those agencies that are members of ECA². This leads to the following overview:

- Austria : “university”, owned by a legal person in Austria and accredited by the Austrian Accreditation Council (AAC). No federal state funding allowed;

- Flanders : “registered” institutions, without public funding. Formal registration takes place through an assessment of the minister of education. Formal registration can take place after initial accreditation by the Accreditation Organisation of the Netherlands and Flanders (NVAO);
- France : PHEI may be founded by any EU citizen or association with obligation to submit “notification of existence” to the local rectorate and government authorities. Governmental funding is possible;
- Germany : PHEIs are private legal entities according to the laws of the “Land” in which they are established. To be able to grant degrees they need state approval. State approval may only be given after the initial institutional accreditation by the German Council of Science and Humanities (Wissenschaftsrat) or an accreditation agency authorized by the “Land”. No federal state funding, but partial subsidies by the “Länder” (federal state) allowed. Programme accreditation by agencies that have been accredited by the German Accreditation Council (GAC);
- Netherlands : legal entities that have been “recognized” by the minister of education after accreditation of a programme by NVAO (quality) and the Inspectorate of Education (formal and legal rules). No state financing. All programmes have to be accredited;
- Norway : PHEIs in Norway are legal entities which have to comply with the same regulations as state or other public institutions. Most PHEIs are partly funded by the state. In contrast to the state HEI’, they are allowed to charge tuition fees. PHEIs are allowed to provide bachelor, master and PhD programmes as long as they have NOKUT’s accreditation;
- Poland : legal entity, non-public HEI established by a natural person or a corporate body other than a corporate body administered by national or local authorities. Registration by minister of science and higher education after fulfilment of procedural and financial requirements (ex ante accreditation). No public funding, but subsidies are possible. Extension of the initial registration of 5 years possible after positive assessment by the Polish Accreditation Organisation (PKA). All programmes have to be accredited;

- Spain : legal entities which have to comply with national rules. Most PHEIs are not funded by the state, but exceptionally can receive some kind of public funding. Institutions have to be authorized by regional governments. The programmes have to be accredited by the Consejo de Universidades which takes into account the reports issued by the agencies with the competences to do so;
- Switzerland : no federal legislation: PHEIs receive cantonal licenses, no public funding. UoAS (Fachhochschulen) have to be accredited after federal recognition. For universities there exist different rules according to the cantonal legislation.

4. Dimensions of relevance and diversity

PHEIs are not only an important part of the whole HE sector, they also are at least as diverse as public HEIs are. Some are small, some are very focussed, some are corporations, some are run by churches; others are large, very prestigious, specialized in distance education; others again are broad, regionally oriented, supported by employers. So overall, the diversity is enormous!

In the following, we have tried to distinguish the PHEIs on a number of dimensions in order to highlight the most relevant aspects, to illustrate the diversity within the sector of private higher education and to provide a basis for a certain type of risk analysis. The number of dimensions we have distinguished is seven.

1. As regards the financial dimension, there are some specifics on the revenue as well as on the expenditure side of the budget. Some legal frameworks restrict PHEI's to be strictly financed by non-public resources while in other national contexts, some sort of co-financing by public funding and subsidies is admissible. With private financing, the amount of tuition fees and their proportion of total revenues might be a sensitive issue as is the case with other sources of financing like private sponsorships, donations or shareholding private firms or specific interest groups. Then again on the expenditure side, we find the PHEIs with a clear "profit" goal and on the other side the HEIs which call themselves "not for profit". Of course all HEIs have to look after their financial continuity, but it might make a huge difference whether financial surpluses will be reinvested in the HEI itself or will help the owner or the shareholders to build up their own fortunes;
2. Ownership as a second dimension is as heterogeneous and not at all decisive as is the financial dimension for characterising unambiguously the private sector in higher education: the owners of PHEIs might be private institutions like non-profit associations, private companies or foundations. Quite another significant proportion is run by churches or by associations with a specific religious or

ideological conviction (as e.g. in Germany, in the Netherlands and in Spain). And finally, PHEIs in some countries might be even run by the public sector or at least are connected in some way to the federal, state or local government (as, e.g., is the case for some PHEI' in Austria and in Spain).

3. Predominantly, and quite similar to the public sector, the private higher education sector shows a great variety in types of institutions. Depending on the legal restrictions in the specific country, the multiplicity is more or less pronounced: Denmark, as an extreme case on the one hand, reports no PHEI at all due to the prohibition of such institutions by law. In other countries, like the Netherlands, Poland, Germany and Switzerland, a wide spectrum of institutional forms is observable: PHEIs may provide academic programmes as (private) universities, universities of applied sciences, schools or institutes or just programme providers. It is obvious that if a PHEI wants to be called a university it for sure will have to conduct research and so to be allowed to deliver PhDs, and in the programmes the strong relationship between research and teaching and learning must be present. Does the PHEI want to be a university of applied science (Fachhochschule, hogeschool) it will be important to show the close relationship between the professional field and teaching and learning. That makes a significant and huge difference for the orientation of (the programmes of) the PHEI;
4. A fourth dimension is formed by the level of the programmes that will be offered. Quite a number of institutions direct themselves only towards bachelor programmes, others are also (or only!) active in the domain of master programmes (with a special emphasis on professional and executive master programmes), and others are also able to deliver doctorate programmes. Most Dutch PHEIs for instance are not allowed to deliver doctorates, while the Austrian ones – being universities – are in principle able to do so;
5. The fifth dimension refers to the orientation and scope of activities: on the one end of this dimension we find those PHEI' who direct themselves to the

international market, either in their academic activities or in the labour market they envisage for their alumni. Some outstanding institutions like “private” business schools might be ambitious and want to play in the highly qualified and competitive league in international research and higher education. In order to direct themselves to the international labour market, the learning outcomes of their programmes will be international in outlook. At the other end we find the PHEIs with a mainly national, regional or even local orientation. The learning outcomes of the programmes of these PHEIs have a different outlook, and will be recognized by and most probably drafted together with representatives from the respective labour market.

6. The sixth dimension is closely linked with the former and takes attention of the type of students, the PHEI wants to attract. Some HEIs are only directed towards foreign students, from a different set of motives: financial-economic, social-cultural or – very simple – noble opinions on “solidarity” or “humanity”. Opposed to these, a large group of PHEIs is only interested in students from the own country, region or city. In order to attract students, innovative teaching methods and programmes on the basis of blended learning or distance learning can be differentiated from on-campus programmes. And some PHEIs even make efforts to establish several branch campuses in the home country or also abroad in order to follow the students instead of the other way around.

Finally, even more important than the previous distinctions might be the distinction between those PHEIs that look for “mature students”, with work experience, or those that look for the “regular students”, those between 18 and 24 years of age;

7. A last dimension we see is the size of the institution and the width of the programmes offered. Some institutions strive for a large palette of programmes; others restrict themselves to one domain or even to one programme! This difference in strategies makes the size of the PHEIs quite different. While the Austrian private university sector and the private higher education sector in

Flanders in total count only for some thousands of students, in other countries (in particular, e.g., in the Netherlands, Poland and Spain) PHEIs on their own might have up to 10.000 or even more students! In general, however, there is a tendency towards smaller PHEI's in comparison to the public sector of HE.

Notably, in almost all countries in our sample experiences also revealed some "HEIs" with only 10 to 50 students! Though this results in a favourable students to faculty ratio, it there again puts the critical mass into question.

In total, the majority of programmes are provided in the field of social sciences, business and law. It seems obvious that this clear dominance can be traced back to commercial considerations: at least such an orientation is able to attract more (solvent) students than other emphases. Additionally, in some countries the scope of programmes offered by PHEIs is concentrated on this narrow field, while in other countries – like in Austria, France, Poland or Spain – a broad variety of programmes and disciplines is present including humanities and arts, medical science and engineering, manufacturing and construction. Though public financing might contribute to this variety to arise and persist, it is not clear how important this factor is.

5. Risk analysis for programme accreditation/evaluation

In making our analysis of strengths and weaknesses of the private HEI sector we have concentrated on those points we see as major risks in evaluating the quality of the PHEIs, since the critical elements and not the virtues are most decisive for quality assurance and accreditation. Of course we agree that the PHEIs should not be evaluated in another way than the other HEIs, but due to the special situation of the private ones, some specific risks can be identified. These critical elements are assessed on a general basis and it should be kept in mind that there are exceptions and the risks don't apply to all private institutions: some might be risks which are realistic for (very) small ones, others for those which direct themselves towards the foreign market, others again for those that are private companies owned by shareholders. Based on both theoretical reasoning and indications found in ECA countries so far, we have classified the risks on the level of programme accreditation/evaluation in four groups.

1. A specific and main risk for PHEIs is the level of the learning outcomes achieved by the students. Both in accreditations and in initial accreditations (and even in the phase before those), there are indications that the level of the achieved learning outcomes turned out to be rather low. That might have a number of reasons being quite generally related to the financial situation and budgetary restrictions:
 - the policy to keep students in the university because of the fees that the university needs;
 - too much emphasis and attention is paid to the satisfaction of the students, while it is not self evident that these are critical towards the level of the programme that is offered to them;
 - too much emphasis and attention is paid to the satisfaction of the employers. While this of course is important in a demand driven situation, not all employers might have the knowledge about the international necessary level of bachelor and master programmes. Sometimes they might be over -

enthusiast about the skills and attitude of the students and therefore don't pay enough attention to the knowledge-part of the programmes;

- a lack of critical attitude of the teachers themselves, because of "ignorance" or a lack in theoretical knowledge, which is thought to be compensated by their thorough knowledge of the professional field. That might and will be true in certain circumstances, but certainly not in all types of programmes! This will be shown clearly in those circumstances where the suitable qualification and competences have to be accredited by a quality assurance agency (as it is, e.g., mandatory for teachers in PHEIs in Spain).

2. A second risk is related to the way the PHEI' execute their marketing. In order to attract students there are incentives to advertise attractive study conditions and obviously it is critical whether these promises hold. In some cases there are publicised rather unrealistic lengths of the courses and students are told to receive dispensation for parts of the courses due to "work" or even "life" experiences. If the results of some of these PHEIs are analyzed some striking examples can be found of extremely low numbers of students who actually succeeded in finishing the programme in the time the PHEI promised.

3. A third and serious risk is caused by the necessity of the private HEIs in spending their money. Of course this problem exists in almost all HEIs, but might be more risky in those circumstances where owners (or shareholders) want a short term return on their investments. Problems that might arise and examples that exist are:

- the quantity and quality of the staff, especially in those circumstances where staff consists of "flying faculty": the flexibility due to the changing number of students often leads to very small contracts, which gives a problem for the coherence in courses and programmes. In a number of PHEIs only a very small part of one person's contract is devoted to supervising and coordinating the overall coherence of a programme;

- the quantity and quality of the provisions: a library or access to well developed libraries of other universities seems necessary as well a sufficient number of other facilities, like computers;
 - the pedagogical system is not always adequate to accomplish the goals of the programmes (the intended learning outcomes). Too often the students are considered to be “independent” and – to a certain extent – to find their way in the materials offered! In addition, courses on a distance learning basis are attractive for students and on a financial basis but might lack the adequate pedagogical concept, staff and technical support.
4. A fourth and last risk we see is the admission policy of new students in some private HEIs. Due to a number of reasons (mainly, but not only financial!) students who are not enough qualified seem sometimes to be admitted to the PHEIs. That of course is a reason for problems: the “level” of the classroom might become too low or too diverse to reach the intended learning outcomes.

6. Risk analysis for institutional accreditation/evaluation

We have also tried to make a risk analysis for the accreditation or evaluation on the level of the institution as a whole. This type of risks is especially relevant for the Austrian context, since the ÖAR has to accredit institutions (and the programmes as well), but might be relevant for other countries and organizations as well as a contextual variable. We have also distinguished some specific categories of risk:

the first one is the possible lack of financial possibilities to achieve the level of education and research that is needed. There are examples where one comes across absolutely minimal levels of staff and facilities, and this diagnosis is even aggravated by the tendency to open new branch campuses at home and abroad;

the second and very serious risk is the lack of interest in “academic performance”: the staff is only supposed to deliver its part of the educational programme and will not have any possibility for development, doing research, keeping up with the standards and developments in the academic and/or professional fields. This is both a long term and a short term risk for the quality of the staff, the provided programmes and the institution as a whole;

lack of interest in the necessary “academic freedom”: private HEIs may be free in choosing their own way of organisation. Certainly in those circumstances where “profit” is the main *raison d’être*, there is little room for discussion, for keeping up academic standards, for finding a balance between the managerial goals and the academic performance. So much the worse, academic freedom might not only be threatened by commercial reasons, but also when the independence in academic affairs is hindered by religious or ideological considerations and particular interests of the owners of the PHEI;

a lacking “academic culture” because of the small size of the institution: in some cases the size of the staff is simply too small to be able to speak of a “higher education institution”. The phenomena of ‘flying faculty’ and ‘moonlighting’, with the staff having multiple jobs at different institutions and places are connected with this diagnosis. Although the learning outcomes and also the results of this type of institution or programme might be valid, the size of the institution forms an extra risk, which should be taken into account. This is one of the reasons why the Austrian colleagues ask for a revised basic governmental regulation on the institutional organisation;

the academic culture might also be lacking due to the way participation of students, staff and external stakeholders has been organized. Some “owners” of private institutions don’t seem interested at all in establishing a culture which is apt for enhancement or improving the quality of the programmes, the research or the facilities for students and staff.

7. Recommendations for the QA agencies

We hope that our short note makes sufficiently clear that it might be worthwhile in evaluating HEIs or their programmes, to take notice of the special characteristics of private HEIs. We don't think it to be necessary to make special "regulations" for this type of HEIs (at least on the programme level), but it seems wise to share some recommendations for the evaluation. After all, also this type of HEIs and their programmes might be the subject of mutual recognition of qualifications, accreditation results or even degrees. Our responsibility makes it therefore necessary to pay attention to all kind of pitfalls that may threaten the validity of our work and the quality of teaching and learning. Our recommendations are:

- a. define the status of the private HEI and pay attention to the internal organization and the way quality assurance (which supposes "an open mind and a critical attitude") has been organized and functions;
- b. consider carefully and especially how independence in academic affairs is ensured;
- c. be aware of the financial situation of the institution by asking for the budget and the report of an external revisor (if obliged by law);
- d. talk to an "at random" composed delegation of staff and students in order to check whether the conditions for an "academic culture and attitude" are present and protected;
- e. give thorough attention to the coherence of the programmes;
- f. check (the consequences of) the quantity and quality of staff;
- g. give special attention to the presence and the quality of the facilities;
- h. give extensive attention to the intended learning outcomes and certainly to the achieved learning outcomes. Opinions of employers are important, but a check by peers on the level of the achieved learning outcomes seems necessary;
- i. in the panel that evaluates the (programmes of the) private HEI at least one "expert" on this type of institutions should be present. This makes for an extra justification towards these HEIs and the external world;

- j. check extensively on the legal conditions of the HEIs and on the particular institution's mission in order to understand fully what the tasks of the HEI should be according to the law and the ambition of the HEI itself!

Endnotes:

- 1.** The authors wish to thank their colleagues in ECA for their comments, support and suggestions.
- 2.** For a discussion of related topics see also Fiorioli, Elisabeth und Stephanie Zwißler, Neue Spielregeln für neue Akteure: Der private Hochschulsektor in Europa, in: Werner Hauser (ed), Jahrbuch Hochschulrecht 2010, Neuer Wissenschaftlicher Verlag, Wien, pp. 191-197.

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