

THE GROWTH AND DECLINE OF PRIVATE HIGHER EDUCATION IN UKRAINE: IMPLICATIONS FOR EQUITY AND QUALITY

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Abstract: *This article lays a foundation for the development of private higher education in Ukraine. It particularly focuses on the broad pertinent issues such as the reasons for the establishment of private higher education in Ukraine. While we may largely talk about 'private higher education', it argues that this may be a case of for-profit and at the same time as demand absorbing in Ukrainian practice. The article also explores issues of the definition of private higher education in the global scopes. It then discusses underlying factors in the establishment and growth of private higher education, pointing to issues that seem to be unique to the country and other developing countries. It then concludes by arguing that private higher education has a future in Ukraine, especially because it is required by the system of higher education and the challenges and lessons this poses for implementation of the new Law of Higher Education (2014).*

Keywords: *private higher education (HE), private higher education institution (PHEI) public higher education, for-profit higher education institution, demand-absorbing, growth and decline of private sector, credentialism, massification, students enrolments.*

1. Introduction

Higher education (HE) in Ukraine presents some interesting paradoxes. The science and education sector that Ukraine inherited from the Soviet system is rather complex. First, according to the data of the State Service of Statistics of Ukraine there were around 197 public higher education institutions (HEIs) in the country, not including community colleges and technical and vocational schools at the beginning of 2014/15. In addition, around 144 private HEIs have been created since 1991. All the HEIs fall under the auspices of the Ministry of Education and Science, as well as other related ministries. Private higher education institutions (PHEIs) are now largely overshadowed by public HEIs. In fact, private HE in the country is largely thought of and regarded as a new phenomenon. PHEIs in Ukraine are relatively new compared to other global regions. The for-profit nature of PHEIs in other countries is not made as explicit as is the case Ukraine. Thus, while European states also have for-profit HE institutions, in they are clearly legal for-profit institutions in Ukraine.

2. Materials and Methods

This article, firstly, gives a brief overview of the history of private higher education in Ukraine, illustrating contrasts that exist within the country. Secondly, it tackles some concepts relating to the privateness and publicness of higher education institutions. The purpose of such a discussion is to create awareness of the thinking involved in understanding the sector by researchers of private higher education. It is also to challenge further thinking, the theorisation and the scholarly engagement of existing understanding and theories in order to develop a new knowledge of understanding in the private sector in higher education. Thirdly, the article introduces a well-covered discussion in understanding the establishment and growth of the private sector in Ukraine

in the frame of implementation of the new Law of Higher Education.

3. Results

There are many factors that contribute to the establishment and growth of PHEIs in Ukraine.

The definition of private HE largely depends on variables adopted by a particular country. Moreover, such a definition may not be universally applicable. For instance, in some countries private institutions are so known because they were founded by private organisations (such as churches or stock market companies) but are financially supported by the state, for example, this is legally possible in Canada and Sweden [1].

In some countries, the state in part supports PHE because it significantly absorbs demand and therefore relieves financial, political and social pressures on the state, such as is the case in Brazil, India and Japan [2].

Yet, in Ukraine, PHE institutions are established and operate independent of state or the public sector but are required to operate within the law and regulations set by government. They must affiliate to public institutions for purposes of quality assurance but they continue to function independent of direct state financial support and management accountability. These differences illustrate how private institutions are regarded in different countries making it difficult but not impossible, therefore, to coin a universal definition of private HE.

The above examples point to the fact, firstly, that such factors as the position of the state, ownership, governance, financial resources, affiliation and function can be invariably combined for determining whether institutions are private or public. Secondly, they point to the centrality of state, state or government policies in determining the

privateness or publicness of institutions. A simplified definition of PHE, therefore suggested by Mabizela[3], is all tertiary education that is non-state and may sometimes be quasi-public. In Ukrainian context, PHE institution is an institutions that is non-state owned and non-state financed, therefore, not accountable to the state but to the owners of the institution, not governed by the state but by the rules set by the owners, but is still expected to comply with state policies or regulations.

The pioneering works of Altbach[2] and Levy [1] on private HE already recognized that the sector is regarded and understood differently in different countries. This is because the sector takes a different nature and character almost in each country, influenced by its context such as existing various demands; state policies; economy and politics.

The general character of demand-absorption of private HE institutions (especially in developing countries); the proliferation of private universities alongside non-university institutions; their range of offerings from post-secondary to HE; the specialization of many of these institutions in business and commerce fields, computer and information technology studies; the range in their sizes from very small to large institutions with regard to their student enrolments; the often questionable quality of education they provide and the combination of for-profit and non-profit institutions are all typical of contemporary PHE sector internationally [2]. These characteristics of the contemporary PHE institutions are not specific to developed or developing countries, but universal. This is also the general character of PHE institutions in Ukraine that is presented in this article.

Scholars have identified three basic conditions to explain the development of PHE in a public sector–dominant system of higher education [4]. First, PHE institutions may offer something different from the public sector, whether through a special curriculum, a particular religious or cultural emphasis, or some other way to distinguish themselves from the public sector. Second, the private sector can provide something better to public sector alternatives by ratcheting up quality of the education, often accompanied by stricter admission standards. Finally, the private option may serve additional students who find the public system closed to them because of capacity or geographic constraints.

The context of globalisation has put pressure on national HE systems to provide competent human resources to live up to the challenges of knowledge based economies. Simultaneously, it puts pressure on governments to allow free trade, which favours countries with stronger financial resources and stronger trade capacity, and this has been made to include services such as HE. Globalisation, therefore, has broadened the scope of HE with regard to curriculum as well as its structural organisation and in relation to international demands for knowledge [3].

The students could not be accommodated in the existing public HE institutions, primarily because the sector had not been grown, resourced and developed concurrently. In fact, during this period HE admissions were constricted. Thus, an opportunity or gap for the establishment of institutions was created and taken up through private initiatives.

By their nature, which includes establishment, accountability and management structure, private HE institutions lend themselves to the ‘marketization’ of HE. This is where HE institutions regularise their operations to resemble those of a market system, such as ‘managerialism’, being influenced by closer ties with actors in the market system. This is also reflected in the curricula of many private HE institutions wherein the focus is not on subjects which require high input costs as found, for example, in science and engineering, but on those that are relatively inexpensive to offer such as business and computer studies [3]. Graduates from PHEIs are directly employable, equipped with the knowledge, skills and dispositions to contribute directly to the workplace and economic growth.

So, we may come to the conclusion that Ukrainian PHEIs has become demand-absorbing, because of shortage of spaces in the public sector as well as demand for specialized education which would lead to a quick entry into the labour market.

Almost all Ukraine has HE institutions that were privately established shortly after Ukraine gained its independence in 1991. Indeed, higher education policy was also changed to allow institutions to restructure and adjust to the new economic, social, and political situation. Indeed, the most radical change was the permission to establish PHEIs. The fastest increase took place in the 1990s due to unprecedented demand for HE due to demographic factors and the rising importance of higher education for the labour market.

The number of Ukrainian PHEIs rose from 111 in 1995 to 202 in 2007, while student numbers rose from about 71,579 in 1995–1996 to about 433,413 in 2007–2008, while total higher education enrollments jumped from about 1,540,498 in 1995–1996 to more than 2,813,798 in 2007–2008. PHEIs exist throughout Ukraine, although (in keeping with typical patterns crossnationally) the most prestigious are concentrated in and around large cities. Of the 144 privates, 80 are located in large cities, 43 of them in Kyiv. PHEIs deprived of almost any state support develop mainly “low-cost” study programs (as in most of the region and the world) and attract mostly part-time students. They usually offer programs in business, management, education, foreign languages and computer science.

Thus, the nature of contemporary or new generation PHEIs is such that they are profit-driven; demand absorbing; specialised and, therefore, less involved in research.

It should be mentioned that the conducted research has proved that the issue of private institution establishment due to public failure has become a cliché both within the private and public HE sectors and researchers of the sector [1, 2, 3, 5].

First, the shortage of public funds to meet rising demand for HE in Ukraine is responsible for the creation of excess demand, which, in turn, lead to the establishment of private institutions in 1990s. Excess students accumulated over years, creating overwhelming demand, which lately forced these HE systems to massify. The newly-established private institutions contribute to that massification. Moreover, it has been observed that Ukraine had one of the highest

participation rates in HE in the world, at 40,5 percent in 2008/09 comparing to 41,8 percent in the USA; 37,4 percent in Poland; 35,9 percent in Spain; 33,1 percent in Italy; and 28,8 percent in the UK in the same year [7]. Recently the demand has been falling and it is still declining, due to the demographic decrease.

Second, the research revealed that the increase in private providers in the delivery of higher education was largely due to public failure in not providing learning programmes at flexible times and convenient places. Moreover, many distance education students that enrolled with public institutions required face-to-face support tutorials or even lectures that distance education institutions are not offering. Private institutions established satellite campuses at geographically convenient places to provide the services by offering part-time programmes. As such, private HE institutions often allow for large numbers of part-time enrolments and offer teaching after hours and in the evenings. So, private institutions become institutions of choice because of their convenient location and flexible mode of knowledge delivery.

Third, the failure by the public sector to understand and provide what is in demand in the 'market'. In this case, market refers to both students (and parents) and the labour market. Indeed, private sector used such inducements as free tuition made available on a competitive basis, innovative forms in the educational process with the use of computer technologies and training classes, allow to educate specialists on the level of European standards and attract students from the public sector institutions.

Fourth is the issue of poor working conditions for lecturing personnel at public institutions. During 1990s the lecturing personnel of public institutions faced with delay in payment of wages for several months in Ukraine. In such cases the workplace relevance and real life practice orientation were stressed strongly as the motivation for selecting a PHEIs. They provide the students and employees with the latest material and technical basis for studies and recreation: contemporary buildings, publishing center, libraries, comfortable dormitories, medical service and health centers.

In other words, public failure is a basis for a number of specific reasons for the establishment and development of private higher education in Ukraine.

The next reason for the development of private sector in higher education that is discussed at length by scholars is credentialism. The understanding of students to a qualification with the hope that it will improve ones' chances of employability or, if already employed, will improve chances of promotion or job progression. Thus, credentials have a higher value than the knowledge because it is the credential that gets recognition without testing the subject knowledge. That is why credentialism is considered a characteristic feature of contemporary PHEIs in Ukraine as some students choose to study at a private institution because it promises to offer them short certificate programmes, internationally-recognised, quality programmes, double diplomas that will enhance their employability.

However, the fact that there are successful private

HE institutions and some that are not successful in Ukraine suggests that the sector is not necessarily a solution to the public sector problems or that it is always a better option to it.

In Ukraine and the world over private HE has a great potential to develop. Indeed, research shows that there is a huge demand for its existence. Historical antecedents elsewhere in the world show that these sectors sustained until some institutions in the respectable academic status often afforded to some of their public sector counterparts.

In some developed countries, the academic status of PHEI seven exceeds that of public sector universities in certain cases. However, private sector institutions often do not want to be like public sector institutions and, certainly, should not be in order to promote diversity of institutional types; programme specialisation; level of qualifications; geographical location and modes of delivery.

Private HE institutions are responsible for guaranteeing their own future due to the government policy they face.

First, private HE institutions in Ukraine need to comply with the state's policies in fulfilling the state's higher education policy objectives. This may not be easy for PHEIs because their agenda may not necessarily complement that of the state, even though that agenda may not be fundamentally opposed. Due to the newly adopted Law on Higher Education, signed by Ukrainian President Petro Poroshenko on July 31, 2014, universities are able to act with greater autonomy to maximize their own interests, expertise, and potential. Under Article 27 of the Law on Higher Education (2014) any higher education institution is established as a public, municipal or private institution and operates on the non-profit basis. But many contemporary Ukrainian PHEIs are driven by for-profit motives and are strongly against non-profit status as they thrive to get some profit from educational activity.

Second, private HE institutions in Ukraine are facing a daunting challenge of competing with relatively long-established public HE institutions in such respects as building trust with communities, authorities and other HE institutions; building a reputation among future students and their parents, building the reputable image expected and associated with HE institutions based on trusted quality of education. In such case Levy [6] argues that the survival of private HE institutions depends on their ability to experiment with new and different kinds of programmes so as to have variety for their clients. It means that Ukrainian PHEIs have to fight against many odds, both internally within their sector and externally, in order to guarantee themselves into the future.

Third, the demand-absorbing nature of PHEIs in Ukraine shows that for as long as there is excess demand, PHEIs are guaranteed their existence. In this case the state's policy play a crucial role in regulating existence and operation of private institutions, because they can make or break their survival.

Fourth, there is identifiable demand for life-long learning in Ukraine. Public sector institutions are playing their role; however, they seem to have limitations especially with regard to the required flexibility. Private HE institutions,

therefore, are occupying this gap in Ukraine. The brightest examples of implementing life-long learning strategy in its activity is «European University», one of the largest Private Higher Educational Establishments of Ukraine. It's a unique PHEI in Ukraine with the educational system from the nursery school to the university. The University structure is made up of the Scientific and Research Institute of Law and Business Security, Scientific and Research Institute of System-Defined Research, Economy Stabilization and Development; Faculties of Economics and Management, Information Systems and Technologies, Law, Business Security, Practical Entrepreneurship and Professional Adaptation; 25 affiliates in different cities of Ukraine; Business College, Gymnasium and Nursery School.

The mushrooming of private HE in Ukraine at the beginning of the XXI century brought about challenges to government, especially with regard to the formulation of its state policy. Government had to: balance the growth of HE systems; maintain and improve on quality; formulate unprecedented policies to regulate the functioning of the sector, bearing in mind that it represented by different types, sizes, shapes, specialisations and levels of institutions; ensure equity in the system; and protect the interest of citizens against education of poor or inferior quality and dishonest stakeholders.

The new reforms with the implementation of the new Law on Higher Education will create significant shifts in the usual business of the HE institutions, requiring a new approach to leadership by charging administrators with staff engagement, decentralized decision making, and responsibility for reputation.

Administrators, faculty, and students are often critical of the undesirable consequences of the rapidly expanding private sector for the public mission of higher education. But PHEIs require state recognition and legitimacy to operate, enjoy rights and privileges granted by public authority, and benefit from direct and indirect subsidies. The proliferation of new, profit-driven institutions responding to student demand, do expose a major challenge to quality assurance in defense of the rights of students.

The implementation of quality –assurance processes is a significant step forward in improving the transparency of university accreditation in Ukraine. The new processes are supported by the creation of the “National Quality Assurance agency for Higher Education”. Under the Article 16 the system of higher education quality assurance shall be comprised of internal and external quality assurance systems, and a system of assuring performance quality of the “National Quality Assurance Agency for Higher Education” and independent agencies for assessment and quality assurance of higher education. It should be noted that the former highly bureaucratized The Scientific Activity and Licensing Department of the Ministry of Education and Science was criticized for being ineffective and slow [8]. The public monitoring of the new law's implementation should improve overall credibility, signifying the beginning of the end of corruptions schemes in the Ukrainian academic sector. An independent agency has been formed to administer tests

for undergraduate admissions, while Article 41 encourages student government to be active in cases of corruption, expulsion, appointments of senior administration, and unfair administrative decisions at university family housing and dormitories.

Assuring quality at both public and private institutions, fairly and equitably, would ensure that perceptions about quality and processes of either sector are dispelled.

4. Conclusions

Successful implementation of new reforms with the adoption of the new Law on Higher Education will prepare universities in Ukraine with tools to benefit from effective university autonomy. A clear division between non-profit and for-profit HEIs is also needed. At this point, however, the higher education sector in Ukraine is far from reaching its steady state. In times of state financial stringency and growing demand for higher education, increasing the accessibility to higher education for low-income students would be hard to achieve without the private higher education sector. Therefore, private institutions are especially valued among older students, who are given the opportunity to raise their educational levels, and among students from lower-income groups and rural areas. On the other hand, the private sector in Ukraine is still a far cry from having state legitimacy and recognition. Government has chosen to leave the private sector largely to its own devices. There are no direct state appropriations or tax exemptions, and the private sector is not truly incorporated into statewide higher education planning.

The development of a new balance between teaching and research functions leads to a change in priorities in new PHEIs. However, it is also essential to recognize that now - with mass enrolments, a very heterogeneous student population as well as different and wide ranging demands from employers - most higher education systems need new types of institutions. New institutions will generally be dedicated to teaching, employ part-time teaching staff, register part-time students and offer very different programmes. These institutions cannot be assessed on the basis of traditional standards and indicators, yet little effort has been put into determining how these new institutional models are to be defined and what the basic criteria for quality will be.

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