

CHASING

CREDENTIALS AND MOBILITY

PRIVATE HIGHER EDUCATION IN SOUTH AFRICA

GLENDA KRUSS



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Glenda Kruss

Introduction

This book will be neither overtly for, nor against, private provision of higher education in South Africa. It begins from a different assumption, that the genie is already out of the bottle, that private provision of higher education exists as a reality to be engaged with.

The notion that private provision of education and training is 'bad', and public provision by the state is in the interests of the public 'good', it is now apparent, is too polarised. In the contemporary period, seismic shifts have occurred in the form of globalisation and of the marketisation of education and training, creating challenges to the higher education sector to adopt a new, more responsive role in the economic preparation of a future workforce and in creating knowledge to meet the economic growth demands of societies. Commentators have argued that we can no longer talk in a dichotomised manner about 'the private' (as negative) and 'the public' (as positive). Schwartzman (2002) argues that public and private higher education can no longer be seen in polarised terms, as both perform useful and complementary functions, and both have problems. Levy (Badroodien 2002) has argued that it is more pertinent to consider the degrees of publicness or privateness of a higher education system or, indeed, of individual institutions.

The stark fact is that private provision of higher education globally, and in South Africa, has grown on such a scale since the 1990s that it has become a reality of the contemporary higher education landscape. Examination of the surge in private higher education internationally demonstrates that there are variations in the way global forces and pressures are played out in different national higher education systems.

A large, and in part prestigious, private higher education sector has long existed in the United States alongside the public system. There have been concerns that in current circumstances, with reductions in state funding and an upsurge in demand for higher education in the new knowledge economy, policy needs to shift to harness the contribution of traditional private institutions to meet higher education challenges (Zumeta 1997). Moreover, there have been significant new developments in the rapid and large-scale growth in a diverse, for-profit degree-granting private sector, particularly in the form of 'virtual universities'

(Kelly 2001) as well as corporate universities (Futures Project 2000; Fehnel 2002). Kelly (2001) argued that the emphasis on career-oriented and customer-focused programmes with flexible non-traditional delivery is key to attract working adults and other non-traditional students. Thus, these new forms of private institution respond to specific niche markets, particularly those not served by the traditional higher education sector (Futures Project 2000).

The Australian case further illustrates the complex interrelationship between the private and the public. Stone (1990) argued that with the federal government withdrawing substantially from the funding of higher education, with increased domestic demand and, significantly, with a growing foreign student export market, a small peripheral private sector has emerged. In contrast, Marginson (1997) traced the fate of the new private universities between 1985–1996, arguing that they could not develop substantially in the absence of public-sector failure. Public universities continued to play a social role and, at the same time, marketise by moving into entrepreneurial commercial activities, including expanding into the lucrative international market, with government policy support. The privatisation of public higher education, and the introduction of market-like relationships intensified and were formalised into national policy goals after 1996 (Meek 2001).

Likewise, in Britain, with a well-developed, well-regulated higher education system, entrepreneurship in higher education has taken different forms, with public and a very small number of private institutions¹ looking outward for new international markets, as opposed to the emergence of a domestic private higher education sector on a large scale. Bennell and Pearce (1998) have traced the growth of a successful export strategy on the part of such British and Australian universities, to offer ‘overseas validated courses’ particularly in developing and transitional economies, in a context of rapid globalisation, accompanied by trade liberalisation of services.

Public institutions similarly prevail in most of Western Europe. With economic and political reform in Eastern Europe, the role of the state in higher education is changing, and in response to the human resource needs of economies desiring to become part of the European economy, there has been a significant growth in the number of public and of private higher education institutions, fuelled by the limited absorptive capacity of the existing public institutions (Eisemon et al. 1999; Bollag 1999; Sadlak 1994).

Moving to the developing part of the globe, Tooley (1999) has described the growth of the private education sector in terms of what he calls a global education industry. Altbach (1999) has argued that, comparatively, private higher education is strongest in Asia. In East Asian countries like the Philippines, increasingly since the period after World War II, the dominant proportion of higher education enrolments are in private institutions, in the face of high social and economic demand for education that could not be met in a small, limited public sector with restricted state expenditure (James 1991; Cooney & Paqueo-Arreza 1995). Yee and Ghee (1995) have similarly traced the emergence of private institutions in countries like Japan, China, Malaysia, Indonesia and the Philippines in terms of rapidly increased social demand for education in the face of limited public capacity. In newly industrialising countries like Korea, the strategy of harnessing the knowledge and skills of the labour force in the service of productivity and national economic development has stimulated the recent rapid growth of private institutions, particularly those offering lower level, lower cost access to higher education (Singh 1991).

In Latin America, a strong private university tradition has consolidated and expanded in many countries (Levy 1993; Schwartzman 1991). A recent rapid expansion of private universities to meet growing social demand in a period of economic growth and stability was reported in Peru (Stinson 1996). In Chile, Brunner (1997) has traced the impact of a shift from state to market co-ordination since 1980, which has created conditions for a largely unregulated² private sector that absorbs more than half of total enrolment, alongside a quasi-marketised public sector made to compete for funding.³ Likewise, in Colombia, the private sector has grown rapidly to account for 60 per cent of enrolments, in the face of a state fiscal crisis, but also to meet a demand for education from alternative religious and ideological perspectives, and to meet the needs of the working population for alternate modes of delivery (Franco 1991).

In a number of African states, private universities have been established to meet the rapidly growing social demand for higher education, in the face of a fiscal crisis in state-supported education and the increasing prevalence of user fees. Real public expenditure on education is reported to have dropped dramatically. The rapid growth of at least 12 private universities and numerous secondary and post-secondary vocational and technical schools is reported in Kenya (Karmokolias & Maas 1998). In Tanzania, private higher education was introduced shortly after the liberalisation of higher education in response to

growing social demand (Ishengoma 2001; see also Samoff 1990). Banya (2001) has argued that as public universities have almost collapsed in sub-Saharan Africa, private institutions offer an alternative route to education in countries like Zaïre, Kenya, Liberia, Madagascar, Zimbabwe, Tanzania and Uganda. His concern is that private universities should not act in the limited interests of an élite, or of religious or ethnic groups, thus deepening fragmentation and inequality, but should contribute to nation-building in the global context of a market economy.

The global spread, scale and nature of private provision, and its relation to public provision, suggests that we cannot make private provision – and the potential problems it raises – ‘go away’. To argue that all private provision is negative and harmful, and should therefore be prohibited completely, is no longer a realistic option.

National higher education policy in South Africa has recognised that private provision can compete with the public sector, but that it can also play a potentially complementary role in furthering the goals of higher education.

The White Paper on Higher Education proposes that this complementary role lies in ‘expanding access to higher education, in particular, in niche areas, through responding to labour market opportunities and student demand’ (Department of Education 1997: 2.55). This sets a framework for us to consider how private provision can operate optimally in terms of its useful functions, and its potentially complementary role.

Thus, this book will bring a different set of lenses to bear on what has become the subject of intense contestation, of media ‘hype’, in South Africa in recent times. Some, in government, in public universities and in academia have been highly critical of private provision of higher education (Dowling 2001). Much controversy has centred on ‘fly-by-night’ institutions of questionable repute and quality taking advantage of students, particularly those who have been historically disadvantaged (Department of Education 1997: 2.55). There is a widespread argument that new private institutions are a threat to public universities and are responsible for a loss in enrolments (Robbins 1999; Vergnani 2000; Tagwireyi 2000) and that regulation of the sector is key (Sayed 2001a; 2001b). Others, in private companies and in academia, have been strongly in favour of private provision, and seek to promote its interests (Nel & Van Vuuren 2000; Edmunds 2000; Smit 2000; Strydom 2000). Policy-makers,

academics and private and public higher education managers have all tended to either demonise or lionise private providers, in relation to public provision.

What is required is a way out of dichotomised debate about the public and the private in South African higher education. This book seeks to provide a way to move beyond this polarisation towards a means of engagement, by offering a more nuanced understanding of the private sector in South Africa. Based on an empirical investigation, it will explore the contours and forms of the private higher education sector. Understanding what private providers are doing, their function and the demand they respond to and aim to meet, can provide a basis for understanding their potential complementary or competitive role.

The book does so conceptually by drawing on the international literature on private higher education, to develop a set of dimensions along which private sub-sectors may be systematically distinguished, and it does so empirically by means of a detailed case-study investigation of staff, students, management and facilities at 15 private providers.

On this basis, a systematic picture of different forms of private provision can be built up, which in turn, can inform policy and practice that aim to ensure that private higher education institutions, too, work towards furthering national higher education and socio-economic goals, and function in the interests of the social good.

The book is structured to present the empirical and conceptual evidence in layers that build on one another, to essentially argue that there are two main private sub-sectors in contemporary South Africa.

Chapter 1 describes the conceptual and empirical basis of the investigation, and introduces the 15 cases. Four categories were identified and used to select the 15 cases, and these categories formed the basis for the analysis of convergence and divergence in the forms and features of the private providers.

Chapter 2 considers the origins and history of the private cases against the imperatives impacting most directly on each of the four categories of private institution. It identifies four distinct pathways to the establishment of private providers in South Africa since the period of transition. This history suggests that there is a strong twofold divide in the origins of the private institutions, a claim that is elaborated through the analysis in the following chapters.

Chapter 3 examines the ways in which these origins have shaped and are reflected in the stated vision, mission and identity of different forms of private providers, by drawing on institutional documents and interviews. A strong distinction between two different forms of private provider becomes firmly evident, based on the demand to which they aim to respond, which is central to their function.

A further layer of evidence is accreted in Chapter 4, which investigates whether the student profile indeed matches the demand the institution claims to respond to, and how understanding students' perceptions of the demand the institution meets further informs our understanding of the function of different forms of provision. This chapter draws on institutional records as provided to the Department of Education as well as a student survey conducted as part of the study.

Chapter 5 considers whether there is convergence or divergence in the governance and funding of the two different forms of private provision emerging.

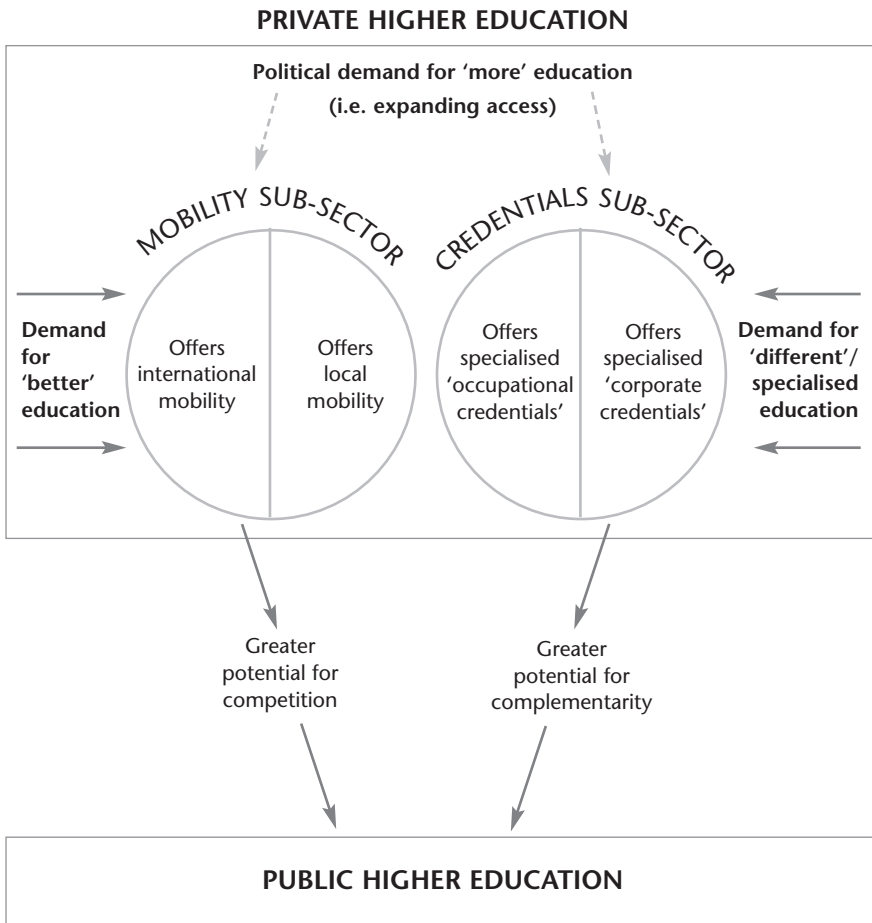
The concluding chapter reveals the picture created by overlaying these dimensions and features onto one another. In the process, the categories used to select different forms of private provider were refined conceptually and empirically, and some individual cases were even re-categorised more appropriately.

Despite a degree of convergence arising out of a predominant profit orientation and the pressures towards diversification of higher education, two main private sub-sectors may be discerned, defined primarily in terms of their function and the demand they meet, but reinforced by distinct forms of ownership and governance.

One sub-sector primarily functions to select and socialise élites, which in the contemporary South African context means that they function to ensure 'mobility', to respond to a demand for education that is 'better' than the public sector, on the part of historically and newly privileged students. In turn, there are two distinct forms within this sub-sector, one that is focused on offering 'international mobility', and the other, on offering 'local mobility'. The second private sub-sector primarily functions to train a labour force, which in the contemporary South African context means that it functions to offer specialised 'credentials', to respond to a demand for education that is 'different' to the public sector, on the part of non-traditional students. Again, there are two forms, one that offers specialised 'occupational credentials', and the other that

offers specialised 'corporate credentials'. Some institutions in both private sub-sectors in addition display an element of meeting a demand for 'more' education, for greater access to higher education, a key political demand in South Africa that cuts across the core functions of higher education. The whole scenario is represented in Figure 1, and will be elaborated in the concluding chapter.

Figure 1 Private higher education sub-sectors in South Africa



Essentially, the ‘mobility’ private sub-sector is potentially more strongly in direct competition with what the public higher education sector offers, while the ‘credentials’ sub-sector potentially operates more strongly in a complementary manner, in that it offers education and training at levels and in fields that are not sufficiently developed in South Africa. Hence, it is important to engage differentially with each distinct sub-sector to ensure that it ultimately contributes to societal values, economic development and national policy goals.

By developing a nuanced understanding of the different forms of private provision, of the distinct sub-sectors defined in terms of the primary function they propose to fulfil, we can provide a set of terms around which we can begin to engage, in the interests of higher education’s contribution to the economic and social development of South Africa. We can give contextualised, differentiated direction to the policy mandate that private provision should operate in a way that is complementary to public provision.

Notes

- 1 See Pritchard (1992) for further discussion on the modest growth of non-state higher education institutions in Britain.
- 2 A state-endorsed regulation system for accrediting and supervising institutions was established a decade later, in 1990.
- 3 See Fried and Abuhadba (1991) for a discussion of the impact of this policy.

1 The conceptual and empirical approach

The research impetus

In a research context of the rapid rise of a new higher education phenomenon in the face of controversy and little systematic research available in the public domain, the idea for the present study arose in late 2000.

In a global context of privatisation and marketisation of higher education (Kwong 2000; Marginson 1997; Whitty & Power 2000) and the growing challenge for institutions to become more responsive to the needs of business and industry (Etkowitz, Webster & Healey 1998), and in the local context of a transition from apartheid to a democratic dispensation, a private higher education sector had grown rapidly over a short period of time. A systematic study that would be widely available in the public domain, in order to allow for informed debate on the shifting relationship between the state, public and private institutions, and their relative contributions to human resource development in the new global and national context, seemed to be called for.

Insight into the features and characteristics of private higher education institutions was required, in order to engage with the fundamental questions their presence raised for South African higher education. There was a need to gain a basic understanding of what the private higher education sector looked like in practice – why had institutions been established, what was their main function, who was involved and what was their potential contribution?

Clearly, an aggregative analysis of a homogenised private sector would not do full justice to the possible range of private provision. Commentators based in private institutions, such as Edmunds (2000: 34) showed anecdotally that there 'are several continents in these waters', that the private higher education landscape could be divided up in a number of different ways. Edmunds highlighted differences of size, of ownership, of mode of delivery and of organisational form. The Council on Higher Education Task Team (2000) on the size and shape of the higher education landscape noted a number of different organisational, ownership and partnership forms, as well as differences in size. The first systematic empirical study of the sector (Mabizela, Subotzky

& Thaver 2000) suggested the existence of a variety of private provision, in terms of size, level and field of focus, form of provision and ownership.

Popular perception, systematic research and policy-makers all suggested the existence of different kinds of private institutions that were offering different kinds of education and training.

A framework was required that would allow for an analytical description of private providers and allow diverse practices to be accessed, to delineate different types of private higher education provision. Gathering such descriptive data was identified as a first step, and placing conceptual order on the field was identified as a second fundamental step for developing understanding.

The study that forms the basis for this book thus had at its core an empirical, qualitative study of private higher education provision, to gather in-depth micro-level data on current practices and functioning, with the aim of developing a conceptually informed set of distinctions between different forms of private provider. On this basis, questions about the role of the internally diverse private higher education sector in South Africa at the turn of the millennium in a new context of globalisation could be addressed.

This chapter will show how such a study was framed and conducted. It will first set out the conceptual framework appropriated from the international literature on private higher education. It will then describe the empirical field of the study, by introducing the 15 cases purposively selected to typify distinct categories of legally defined private higher education institutions in South Africa.

Appropriating a conceptual framework

The rapid expansion of a private higher education sector in the 1990s was not unique to South Africa, but it is clear that the sector takes specific forms shaped by local history and contextual realities. It was necessary to identify analytical tools that could be appropriate to illuminate the specific nature of the South African sector, relative to the global surge.

Armed with a limited empirical understanding of the South African sector, informed by the few studies and many popular media articles available at the time, the extensive international literature on private higher education was engaged. Private higher education has begun to attract a great deal of interest,

with a number of dedicated research centres beginning to operate in the United States,¹ and an extensive literature.

What soon became evident is that while there is a great deal of published research on private higher education systems in a range of national contexts, there has been little systematic empirical work that delineates the specific nature of the sector in a country. Much of the research focuses on the optimal forms and mechanisms of regulation of the sector, the desirable relationship between the state and the higher education market and the scale of the private sector relative to the public sector (for example, Yee & Ghee 1995; Tilak 1991; Tooley 1999). There is little systematic conceptual work underpinning many of these aggregative, country-wide macro-level studies that could inform attempts to distinguish between different forms of private institution within a national higher education system.

The most sustained and sophisticated conceptual research is to be found in the work of Geiger and Levy, both of whom have been seminal in influencing the approach of much research in other countries (see for instance, Stone 1990; Marginson 1997). There is a degree of synergy between the conceptual frameworks they have constructed, both of which were developed out of comparative work on private higher education in the 1980s.

Geiger's (1986a; 1986b) work is primarily focused on a comparative macro-analysis of seven countries in counterpoint to the case of the United States of America. Three structural patterns of private provision are delineated for comparative purposes: a mass private sector,² a parallel private sector³ and a peripheral private sector.⁴ As Geiger motivated his work:

In each country unique patterns of historical development, government powers, legal arrangements, cultural fault lines and more, all contribute to different divisions of tasks between publicly and privately controlled institutions. Because this produces far-reaching differences between national systems, the most meaningful initial comparisons can only be made between countries with similar structures. (1986a: 3)

Geiger's work refers predominantly to institutions that offer university-level qualifications, and deliberately excludes other forms of post-secondary provision, given the complexity of drawing boundaries that could complicate comparative analysis.

Levy's work has developed over a longer period, primarily in the developing world context of Latin America in the early 1980s (Levy 1985, 1986a, 1986b) but extended to a range of contexts (Levy 1992, 1999) and often in counterpoint to the US experience. His work too is fundamentally comparative in approach, and often predominantly focused on institutions offering university-level qualifications. Nevertheless, the conceptual and typological distinctions he has drawn, particularly in his work on Latin America, appeared to be highly suggestive for the task of distinguishing between private sub-sectors, and was influential in shaping the analytical framework of the study.

This literature was mined critically to identify an appropriate set of concepts to guide investigation of the private sector in South Africa, to inform the task of describing, classifying and distinguishing forms of provision.

Function, governance and funding

A first conceptual distinction identified from a reading of this comparative literature was that of key distinguishing criteria to compare public and private institutions, and to categorise private sub-sectors systematically.

Levy has based a great deal of his work on three differentiating dimensions used for analysis in a range of contexts, but developed on the basis of his work in Latin America: finance, governance and function. Geiger (1986a, 1986b) has identified a similar set of distinguishing criteria, namely finance, state authority and orientation. Typically, the dimension of *funding* or finance examines sources of funding, the balance of public and private funding and the profit orientation of institutions. The dimension of *governance* considers the relationship to the state, ownership and internal control. *Function* is the dimension least easy to define, but typically covers mission and identity, the socio-economic target group, the values promoted and quality issues.

The application of these three dimensions to the analysis of private and public sectors is prevalent in the field in a range of national contexts (Marginson 1997; Franco 1991). Studies typically research and analyse along one or perhaps two of these dimensions. Kerr (1990), for example, has analysed the American system in terms of governance (ownership and control) and funding (source and mechanisms), while Geiger (1986b) has analysed the American private sector to identify distinctive sub-sectors on the basis of funding.

Hence, it was proposed that these analytical distinctions would be useful to distinguish private sub-sectors in South Africa, and ultimately, in distinguishing between the private and the public sectors. All three dimensions were adopted as analytical devices to guide systematic data-gathering and analysis.

Conceptualising demand

With this emphasis on function, a second key conceptual distinction appropriated from the international literature was the type of demand which private provision is said to arise in response to, a central feature of the dimension of function.

This is best illustrated with reference to Levy's work. In relation to the rapid growth of the not-for-profit private sector in Latin America, Levy (1986a) developed a theory of different waves of emergence, defined in broad terms of function, specifically in terms of the demand met by the institutions. Wave 1 institutions primarily met the demand for separate religious education, in this context, for Catholic institutions that essentially operated like the public universities. Wave 2 institutions primarily met the demand of an élite sector for higher education that would continue to promote their interests in the face of the economic, political and social failure of the public universities to do so. Wave 3 institutions primarily met an excess demand for increased access to higher education, which the public universities were not able to accommodate. These three 'waves' of institutions emerged sequentially but, in some cases, followed each other closely and overlapped.

Geiger (1986b) has developed a similar set of distinctions that have become prevalent in explanations for the emergence and growth of private higher education in different contexts. Typically, the rationale for the existence of private sectors is distinguished in terms of a demand for 'different', 'better' or 'more' education.

A demand for 'more' education typically is said to operate when private providers absorb excess demand that public providers cannot meet, as in Levy's Wave 3 type of institution. The state sector is unable to meet social demand for higher education, creating an opportunity for private provision to emerge (see for example, Yee & Ghee 1995; De Mallo E Souza 1991). Secondly, there is a demand for 'better' education, where private institutions are seen to

provide for an élite demand for social advantage, in the face of a failure of public institutions to do so, as in Levy's Wave 2 type of institution (see for example, Pike 1991). Thirdly, there is a demand for 'different' education, where state provision may be adequate, but private providers meet specific preferences, typically religious or cultural, as in Levy's Wave 1 type of institution.

James (1991) has developed a similar distinction that has also been influential, a two-fold distinction between 'excess' demand for education above what the state can provide, operating primarily in developing countries, and 'differentiated' demand for alternative types and quality of education to that provided by the state, operating primarily in developed countries.

It is thus evident that conceptualising demand is a widely used means of distinguishing private sub-sectors. The usefulness and veracity of the threefold distinction, between a demand for 'more', 'better' and 'different' education to that provided by the state, will need to be explored in the contemporary South African context. What needs to be borne in mind is that the conceptual categories were developed in the early to mid-1980s, and that they were developed out of work that focused predominantly on institutions operating at the university level, and often in developing country contexts. The marketisation of higher education globally in the 1990s has impacted dramatically on the public and private higher education sectors internationally, and in South Africa, as an 'emerging market', in major ways that will need to be taken into account.

Convergence and divergence

A third useful concept developed more recently in relation to the private higher education sector by Levy (1999) is that of 'isomorphism'.

Developed from organisational theory, isomorphism refers to a process of convergence that leads to similarities between organisations or institutional forms. There are coercive forms of isomorphism, where the state regulates quality, typically effected through funding, and non-coercive forms, where mimicry of public universities is one of the strongest forms. A strong recent pattern in international experience is that some private institutions mimic public higher education institutions on most variables, while asserting their distinctiveness on one or two variables. Levy asserts that the growth of the private sector does not always lead to diversity, as is widely claimed, but that it

also is characterised by strong forms of convergence and similarity between private and public providers.

Levy developed this concept in relation to inter-sectoral diversity, between public and private, but the distinction can apply equally to intra-sectoral diversity, within the private sector. Levy's work focused on the *processes* of convergence that make organisations look the same and do similar things. The state of research in South Africa on private higher education was far too limited to focus on such processes. A prior level of information and understanding was required, that is, to have a conceptually informed description of the private sector, and its form and function. However, this concept was highly suggestive, in that it highlighted the importance of understanding not only diversity or differentiation between private sub-sectors, and between public and private, but also isomorphic pressures and convergence.

Thus, for purposes of the study, the concept of isomorphism was read loosely, to caution that analysis should not focus solely on distinction and differentiation, but that we need to understand complex simultaneous patterns of convergence or uniformity, and differentiation. That is, we can question how distinctive and how similar private sub-sectors are from public sub-sectors, or how distinctive and how similar different forms of private sub-sectors are from each other, in practice. To engage with empirical data meant not only to analyse where there is diversity, but also where there is convergence. What is most interesting is the lines of cleavage that become evident despite a great deal of similarity in form and function.

A conceptual frame

The significance of such a distinction in conjunction with the three key dimensions and the three forms of demand identified became apparent in the course of an initial scan of the private sector in South Africa in 2001, prior to the empirical study. The available evidence suggested that the dimensions of funding, governance and function have different weighting in their ability to differentiate between private sub-sectors.

With regard to funding, there appeared to be a great deal of convergence, shaped by market forces. Unlike many other private sectors internationally, the South African private sector is predominantly 'for-profit' with only a few

institutions, primarily those with a religious orientation, operating as 'non-profit'. In common with international trends towards a decreased role in public funding for higher education, the state in South Africa provides no direct subsidy for private higher education institutions. However, there appeared to be diversity on the basis of the source of funding, from tuition fees, investments, corporate sponsorship, and increasingly, additional services such as consultancies.

Linked to funding, there was evidence of a great deal of convergence with regard to governance, shaped by coercive state regulations. All private institutions are increasingly subject to state regulation, in the form of registration and accreditation processes. However, there is diversity in relation to ownership, from major listed companies to single family-owned businesses, which may lead to diversity in internal governance and control, and would need to be explored.

In the South African context, it was thus proposed that the greatest source of diversity would lie in the functions that private providers fulfil. The mission, clientele and values promoted in private institutions vary a great deal, although there appeared to be a degree of convergence in the range of fields of focus offered. What needed to be determined were the different forms of demand to which institutions responded.

Thus, in an iterative process of engagement, concepts were drawn from the international comparative literature, primarily on private universities in developing countries in the 1980s, and read in the light of the limited existing knowledge of the South African private higher education sector at the turn of the millennium. The veracity and validity of these concepts, in a changed global economic and social milieu, in a very specific local context experiencing a transition to a new political dispensation that fundamentally impacts on all spheres of society, is a critical question that will need to remain open. Indeed, it will become evident that further conceptual distinctions that relate more specifically to contemporary higher education conditions, globally and nationally, were drawn on, in order to interpret emerging empirical trends.

For now, it is important to note how these concepts informed the design of research instruments for data-gathering and analysis. The dimension of function, potentially the strongest source of divergence, was highlighted but in relation to the commonalities and differences in the dimensions of funding and governance.

The dimension of function is the most ‘unwieldy’ and ‘messy’ conceptually, and deserves some elaboration here. It encompasses a range of interrelated features, such as the history and motivation for the establishment of an institution, its vision and mission, the key socio-economic target group (in aspiration and in practice) and student demand. Key characteristics of the dimension of function were identified to guide data-gathering for the study. The motivation for the establishment of an institution is integrally linked to its current mission and vision, the target group it aims to provide for, and the admission policy it sets in place, and these needed to be examined in tandem. Empirical evidence of the profile of the student body currently registered at each institution, and the perceptions of these students of their choice to study at a specific institution, could provide greater insight into the demand for private higher education.

To illuminate the dimensions of function, funding and governance, instruments were devised to gather and triangulate data from a range of possible sources: the institution itself, management, students, academics and documentary material.⁵

Qualitative case-studies

At the time of the conceptualisation of the study, there was a limited body of research on the private higher education sector in South Africa that could illuminate its nature and forms. Seminal quantitative research was conducted by Mabizela, Subotzky and Thaver (2000), researchers at the Education Policy Unit at the University of the Western Cape,⁶ on behalf of the Council for Higher Education. The research analysed data submitted by private institutions to the Department of Education, to illustrate trends in the emergence and growth of a private sector, and it drew on the international literature to consider the contribution and future direction of the private higher education sector in South Africa.

A decision was thus made to undertake an in-depth qualitative study of selected private institutions, that could build on and develop the broad overview of the sector provided by this quantitative study.

The following section of the chapter will describe the empirical sites of the qualitative study. It will show how and why specific cases were selected and

will introduce the 15 private higher education institutions that formed the empirical basis for the analysis in this book.

An empirical study of private higher education

Defining the boundaries of the investigation

Establishing the boundaries for the selection of institutions defined as belonging to the ‘private higher education sector’ was not straightforward. Once again, there was recourse to the international literature, to devise an operational definition of private higher education. Amidst extensive debate, the most simple, widely-accepted definition is operationally defined with reference to state regulation and legislation. Thus, for example, Marginson (1997: 460) claimed that the distinction between private and public higher education is ‘a juridical one’. The logic of this position appealed. That is, the boundaries would be drawn to include ‘any institution legally considered’ private (Levy 1992: 1183).

In South Africa an institution is legally considered to operate as a private higher education provider if it is registered by the Department of Education and its programmes are accredited by the Council on Higher Education. Registration as a private higher education provider is in accordance with the requirements of the *Higher Education Act, 1997* (No. 101 of 1997), as amended by Act 55 of 1999 and Act 54 of 2000, which provides that:

The current registration process only applies to private higher education institutions that offer learning programmes that result in the award of *whole qualifications* at higher education levels; i.e., learning programmes that result in the award of certificates, diplomas or degrees on levels 5 to 8 on the NQF. (emphasis added, <http://www.education.pwv.gov.za>)

The analysis that follows in this book must thus be read on the clear understanding that the boundary for the selection of cases for the study was set by a legal definition of private higher education. Private education and training providers who do not offer their own accredited, ‘whole qualifications’, for example, those who offer *only* short courses and programmes, were thus excluded. Likewise, private providers who operate in partnership with public institutions, offering administrative or tutorial support for students at satellite campuses or in distance programmes, but *only* for the qualifications of the

partner institution, were excluded. Some providers offer a mix of their own accredited programmes and those of partner institutions, or a mix of whole qualifications and short courses, and were eligible for inclusion.

The boundaries of selection were slightly permeable, to include a few institutions that had not yet been granted recognition, but that were engaged in the process of seeking registration and accreditation.⁷ This was to allow a window into the possible difficulties, differences and demands of those institutions that were not yet registered but could reasonably expect to be registered.

There has been a lively process of contestation around state regulation of private higher education provision since the late 1990s, and the cases were selected to reflect key trends evident as a legislatively defined private higher education sector emerges.

The four selection categories

Following Schofield (1993), to enhance the generalisability of the study, a strategy of multiple case-studies was adopted.⁸ A template of institutional categories was developed in order to select cases, by drawing on the overview provided by the quantitative study of Mabizela et al. (2000). Most significantly, the quantitative analysis provided a breakdown of the state of the field in terms of the size and focus of institutions. Based on the patterns emerging from this analysis, and borrowing from the historical and conceptual work of Mabizela (2000), a set of four selection categories was identified (Kraak 2001). Multiple sites were purposively selected to exemplify the relative size and significance of these four categories, as evident in the sector.

One of the most striking new forms of private provision in South Africa was categorised as ‘trans-national’ institutions.⁹ A number of foreign universities had expanded their fields of operation to South Africa, offering programmes through a variety of modes – by distance education, franchising arrangements with local partners, or through a direct physical presence in South Africa.

A second new form was categorised as ‘franchising colleges’, institutions that primarily began as alternative matriculation colleges and that expanded their activities in the post-1990 period to include alternative routes to post-secondary and university study. They offered face-to-face tuition for students enrolled at a distance in academic courses offered and owned by the large

public distance institutions, effectively acting as a franchise agent for these public institutions, and in turn, offering their programmes at a variety of sites on a franchise basis.

A third form was categorised as ‘technical and vocational education and training’ (TVET) institutions, those that are predominantly concerned with technical and vocational education and including a number of long-established private correspondence colleges and ‘Professional Institutes’. They provide training in a wide range of fields such as business, marketing and management studies, beauty and healthcare.

The fourth category, ‘corporate classrooms’, is an emerging institutional form of lifelong learning centres developed within private corporations at the higher education and training level, on their own premises to train their own staff to overcome, in their perception, the shortcomings of public provision in meeting corporate demand.

The selection of the specific institutions was governed by the principle of weighted coverage of these four selection categories, in order to capture the relative strength of each form of provision. It was evident, drawing on the categories to peruse the list of conditionally registered private institutions in 2001, that there were only a handful of registered trans-national providers; three of these were selected. The ‘corporate classroom’ is an emergent category in South Africa and two cases were selected (and one of these is not yet registered). The franchising college category is larger, and four cases were selected (one of these has experienced difficulties and is not yet registered and one has recently applied for registration). It can be noted from the outset that during the course of analysis, two of these cases were deemed to be of a different order from the other two, and were regrouped into another category. There are many small TVET providers, and six of these were selected to cover a range of fields of programme focus.

These selection categories were empirically – and not conceptually – defined. Their aim was to ensure the systematic selection of multiple cases, to deepen the generalisability of the research. As such, three of the initial selection categories were most appropriately empirically defined in relation to the dimension of governance or ownership – the trans-nationals, franchising colleges and the corporate classrooms – and the fourth, the TVETs, was defined primarily in relation to the dimension of function, to the purpose and focus

of the institution. This anomaly suggests that the key features defining distinct private sectors may not be uni-dimensional. More significantly, it underscores that the selection categories required further empirical and conceptual refinement, to provide a more systematic basis for identifying private sub-sectors.

As the analysis in the following chapters unfolds, it will in effect elaborate and refine these selection categories. Before that, it is important to have a good description of the 15 cases in the study.

Introducing the fifteen cases

Ask anyone to imagine what a higher education institution looks like, and they are likely to picture an ‘ivory tower’ university campus, with old stone buildings in a lush setting of student cultural and sports facilities, with a well-stocked library and up-to-date laboratories. The academic staff will be actively engaged in teaching and research and dedicated to their task of creating new knowledge in the interests of the public good.

Descriptions of private higher education institutions in this study provide a very different set of images. A short vignette describes one TVET case focused on the arts and entertainment field:

The institution is based at the end of a short cul de sac. Two old gas tanks overshadow the area on one side and a collection of main roads on the other side. At the corner of the street was a dilapidated building. Their current site was part of a business park which housed 5 or 6 businesses in total. The institution itself consisted of four separate buildings. All the buildings and spaces were functional, but not ‘pretty’. At the end of the lecture building was a student canteen. This was run by an outside organisation. No photocopying facilities were available to students on campus who according to the students have to ‘run to Postnet during lunch’. There was a small library which was open during lunchtime. The library was not very organised and magazines appeared to be piled haphazardly on shelves.¹⁰

A second vignette describes a corporate classroom case, offering executive programmes in business management and administration:

The institution conducts training activities on its campus as well as at off-campus sites chosen together with organisational clients, in order to maximise convenience. These are generally held in hotels with appropriate classroom set-up, including necessary A/V equipment. The campus is a purpose-built facility, located in a rural area on the banks of the Vaal River. The academic, administrative, residential and social facilities are situated in a bucolic environment, surrounded by an oak forest and a beautiful golf course. The contact mode of delivery is done in classrooms that are very well designed and maintained for this purpose.¹¹

A third vignette provides a contrasting image of a 'virtual campus' run by one of the trans-national cases in the study:

The institution has a small head office core group of administrators who operate out of an upmarket business park in Johannesburg. Much of their work revolves around visiting businesses, finding out what their training needs are and then sourcing and designing training solutions for each business. The administrative side provides the backup for this, while the actual teaching happens on-site within the particular company. Within this building are a number of high tech classrooms and a large auditorium, which are more than sufficient for the small number of classes actually run at the campus. Much of the course work, particularly the submission of assignments, is done via the internet. Thus the institution is well-equipped to operate a 'virtual' campus.¹²

A fourth vignette introduces a case categorised as a franchising college, illustrating the variability between sites owned by the same institution:

The building is owned by the institution and serves as a student campus as well as the Head Office of part of the operation. It is an imposing modern grey stone and face bricked building in Johannesburg. There are extensive grassed grounds, which are about the size of two soccer fields. Another campus is part of an industrial park and next door to a sports club. The institution has rented two areas from the industrial park.¹³

The set of images would not be complete without a vignette of a trans-national case styled as a university:

The institution shares the site with a private school owned by the holding company. Both campuses are neat, attractive and well maintained and have the architectural feel of an office park. There are no recreational facilities available to students other than a student canteen. The tutorial and lecture rooms are neat, bright and attractive. They were designed to facilitate and enable close one-on-one contact and group work. Multi-media is used in almost all lecturing. Currently there is a shortage of classroom space, and as a result, the academic day starts at 8 a.m. and ends at 6 p.m. A new building is being built on the same site. Computer laboratories for student usage contain the best and most up-to-date programmes and computer technology. A small library is available for students and staff, with much of the needed resources available electronically.¹⁴

These vignettes serve a dual purpose. One, to challenge the reader to think beyond the ideal image of a *university* many of us envisage when we think about ‘higher education’. To understand the contemporary private higher education sector in South Africa, it will be necessary to think beyond the ideal form of the university, to other forms of post-secondary education, or to higher education and training.

Second, the vignettes introduce the variety of educational experiences offered currently by private higher education institutions in South Africa. Table 1 below provides a comparative overview of the size and scale of operations of the 15 cases in the study. For ease of identification, each private higher education institution has been named by assigning it the initials of its selection category (TN, FC, TVET or CC), and then a unique number.¹⁵

What stands out most clearly from a summary of total headcount enrolments, as reported by institutions themselves in 2001, is that there is a wide range in size – from very small new institutions like CC2 with 40 part-time students, to just over 7 500 full- and part-time students at FC3. Equally noteworthy, few institutions have very large enrolments, and very few come close to the scale of public higher education institutional enrolments.

The proportion of part-time students is notably high in many institutions.

The academic staff complement varies in relation to the student enrolment, but there is strong convergence in the trend to consist of primarily part-time

or contract staff, around a small management core. This too is in stark contrast with the public sector.

Table 1 also reflects that a large number of institutions have a main 'campus' as their centre of operation. Others operate from multiple sites in different regions across South Africa. These sites reflect varying degrees of capital investment in infrastructure. A number function around an administrative head office with minimal capital investment, to be supplemented by hired teaching space, rented as required. There is evidence of considerable investment in teaching equipment at some institutions, to facilitate multi-media presentations, particularly in the trans-national and franchising college cases, and in specialised equipment to support professional and vocational training at some institutions, particularly in the TVET cases. Provision of up-to-date computer facilities for students and staff ranged from adequate to excellent. At best, private institutions in the study had very small library facilities, with a strong reliance on electronic resources and course materials.

In terms of a total learning environment and facilities that contribute to students' broader learning experience, in comparison with public universities and technikons, there tended to be limited resources for students, with small, usually out-sourced student canteens, minimal space for student socialisation or individual study, and few sporting facilities. Nevertheless, at most institutions there is evidence of investment to ensure the comfort and security of staff and students. Secure parking was a common concern, as was secure access to buildings.

There are thus clear distinctions evident both between different private providers, and in comparison with universities in the public system, in the physical, educational, social and cultural facilities and experience of higher education offered. There is evidence of substantial investment, and the enrolment figures suggest that private providers are attracting (often high) fee-paying students.

The following chapters will interrogate the empirical data gathered during case-study site visits in late 2001, using the conceptual framework derived from the international comparative literature, to identify the forms of legally recognised private higher education in South Africa, primarily by determining their function, but also examining their governance and funding.

Table 1 Size and scale of private providers in the study

	Sites	Total enrolment 2001	Management staff	Academic staff
Trans-national				
TN1	Head office 70 per cent of teaching off-site	606 new part-time	9 full-time managers 17 full-time admin.	Pool of 70 contract staff off-site
TN2	Main campus 2 sites	497 full-time undergraduate 335 part-time postgraduate	20 full-time managers 20 admin.	5 full-time 99 part-time
TN3	Head office 3 regional sites	167 new part-time enrolments	7 full-time managers 6 full-time admin.	Pool of 50 contract staff off-site
Franchising colleges				
FC1	Main campus Business school	2 620 full-time 557 part-time	13 full-time managers 13 admin.	56 full-time 77 part-time
FC2	6 sites	970 Unisa, two-thirds full-time	8 full-time managers	Part-time core staff
FC3	Head office 4 regional offices, 2 SADC Graduate school 56 accredited tuition centres (2000 data)	2 698 full-time 4 834 part-time at 37 South African and 19 southern African tuition centres	58 full-time management and admin.	256 lecturers across 37 South African tuition centres, majority part-time contract
FC4	Main campus	1 185 full-time	10 managers (7 full-time) 5 full-time service	5 full-time 50 voluntary part-time 17 full-time facilitators/tutors
TVET				
TVET1	Main campus	48 full-time 102 correspondence part-time	Small admin., academics also manage	4 full-time 6 part-time
TVET2	Main campus	349 full-time 77 at Language School	6 full-time managers 26 support 22 service	20 full-time Some support staff teach
TVET3	2 sites	518 part-time	7 full-time managers	30 part-time 4 managers also teach



	Sites	Total enrolment 2001	Management staff	Academic staff
TVET				
TVET4	Head office 48 sites nationally, with 2 franchises, 10 offering HET courses	247 HET (4 per cent of total enrolment of 5 840, with 84 per cent FET)	65 managers nationally	102 full-time 5 part-time 14 technical specialists
TVET5	Main campus	278 full-time	3 directors 5 support	3 full-time 3 directors 18 'permanent <i>ad hoc</i> '
TVET6	Main campus, beauty salon	263 full-time	4 managers 6 admin. 12 service	7 full-time 22 part-time
Corporate classrooms				
CC1	Main campus Off-site training	1 100 part-time employer sponsored 25 full-time admin.	6 full-time management facilitators	13 full-time 25 part-time
CC2	Head office Off-site training	40 part-time	2 full-time management 1 admin.	Part-time pool

Notes

- 1 The Program on Private Higher Education (PROPHE) at the State University of New York in Albany is a case in point, as is the National Center for the Study of Privatization in Education at Teachers College Columbia, New York.
- 2 Geiger uses Japan and the Philippines as examples.
- 3 Geiger uses Belgium and Holland as examples.
- 4 Geiger uses France, the United Kingdom and Sweden as examples.
- 5 At each institution, interviews were held with senior management. Focus-group interviews were held with selected teaching staff members. A questionnaire was administered to a sample derived from selecting all the students in classes randomly selected from the timetable. In addition, focus-group interviews were held with small groups of students, largely selected by the institution. Documentary sources such as the prospectus, promotional brochures, mission statements and newsletters were gathered. Institutions assisted in compiling an institutional profile of enrolment and

financial data, and an observational inventory of facilities was completed by the researcher at each institution.

- 6 Now renamed the Centre for Higher Education Studies.
- 7 Two of the three institutions were established in 2000 so their applications are in process. The third has experienced difficulties with the process of registration.
- 8 The study was designed in July and August 2001 and case-studies were conducted between September and November 2001.
- 9 The spread of trans-national institutions will be discussed further in Chapter 2. The extent of the phenomenon globally is underlined by the existence of a co-ordinating body, the Global Alliance for Transnational Education (GATE), which is concerned to assure quality and develop standards of practice for trans-national education providers. See <http://www.edugate.org>
- 10 This vignette is extracted from a research report compiled by K. Watters.
- 11 This vignette is extracted from a research report compiled by R. Fehnel.
- 12 This vignette is extracted from a research report compiled by M. Smith.
- 13 This vignette is extracted from a research report compiled by K. Watters.
- 14 This vignette is extracted from a research report compiled by L. Powell.
- 15 The majority of the private providers participated in the study on condition of anonymity.

2 Tracing origins and history

In contemporary conversations and debate around the rapid growth of private higher education in South Africa, one could be forgiven for thinking that private institutions had emerged *sui generis* in South Africa in the 1990s. There is little sense of the existence and long history of private provision, and its interwoven relationship with public higher education. In this chapter, a broad historical sweep of private provision in distinct periods prior to 1990 will first be drawn, to indicate the origins of some key features of the private higher education sector. The focus will then fall on tracing the origins and history of the 15 cases in the study.¹ The history and rationale for the emergence and growth of individual institutions is central to understanding the demand the sector aims to meet, and hence, their current form and function.

A broad historical sweep

Mabizela (2000, 2002) has constructed a periodisation which highlights that the very origins of a higher education system in South Africa lie in private initiatives. The analysis in this section draws on Mabizela's work, but substantially adapts it to define periods differently and highlight issues germane to the present argument.

The first 'higher education' institution, the South African College, was established in Cape Town in 1829, as a private initiative of an élite, initially to provide a general, academic secondary education. The college rapidly became semi-autonomous, being recognised and funded partially by the state by 1834, and becoming a fully public institution by 1878. It rapidly shifted focus to provide full university education, and eventually became incorporated as the University of Cape Town in 1918 (Metrowich 1929).

Mabizela (2000) has argued that the South African College is a prototype. In the mid and late nineteenth century, a number of similar private institutions were established by mainline Christian churches like the Church of England and the Dutch Reformed Church, but rapidly incorporated as affiliate colleges of the University of the Cape of Good Hope. Some were later granted university status and others became subsumed under one of the emerging public universities.

These institutions were initially established to meet the demands of an élite, to train teachers, bureaucrats and other professionals to meet the needs of the colonial economy, society and government.

A sense of this function is obtained by examining the history of one private institution included in this study, originally established in 1893 by a non-mainline North American-based Christian denomination. Promotional literature proudly points out that at that time, the institution was ‘just one of a handful of institutions of higher learning in the whole of sub-Saharan Africa’. The curriculum initially had a classical academic orientation, and emphasis was placed on character development, a vocational programme and the laws of health, physical training and culture. A written history of the institution reflected that its origins in the church shaped the nature of the graduates this private college developed, in common with its contemporaries:

Initially it was a church institution, training employees of the church as ministers and teachers, as missionaries for South Africa, southern Africa and Central Africa...That was the primary initial reason – ministers, teachers, medical missionaries and secretarial skills for mission offices.²

The key point is that as the state was developing in South Africa through the nineteenth century, private post-secondary education institutions began to emerge to respond to the demands of the colonial economy and society, rapidly becoming legislatively incorporated to lay the basis for public provision of higher education. By 1916 legislation had been passed to create a number of public universities from these élite colonial and religious origins.

In contrast, at the turn of the century, a second ‘period’ was shaped by the mineral revolution in South Africa, which stimulated major economic and political change. New sets of private institutions arose to meet the new demands that emerged with the growth in mining and manufacturing industries, specifically, to meet broader demands for technical and vocational education. A number of private technical, vocational and industrial colleges were established, some by churches, some by the mining houses, to meet the changed need for advanced education, particularly in engineering (Behr & MacMillan 1966). Again, some of these colleges shifted rapidly from their private origins to become legislatively incorporated as public institutions, progressing to be granted university status alongside those established in the earlier period.

Other private education institutions that emerged in this period took the form of professional institutes such as the Institute of Bankers (established in 1898) and the Institute of Chartered Secretaries (established in 1909), which emerged as examining bodies and professional associations. They continued to function on a private basis, but entered into collaboration agreements whereby the new public higher education institutions offered tuition on their behalf, often on a part-time basis, to qualified professionals.

A number of private institutions that still function in the present day were also established a few of decades later in the same broad period, such as Lyceum (1928), Success College (1940) and Damelin (1945). Initially, they too focused on secondary education but moved to offer vocational programmes at post-matriculation level, largely part-time by means of correspondence.

These private institutions emerged to meet demands for advanced training to equip skilled and semi-skilled labour for the growing industrial economy. At the same time, racial segregation began to determine institutional forms, with some private institutions initially established to cater for coloured and Indian communities. Some of these institutions were to develop after 1948 into public Colleges of Advanced Technical Education (CATEs) and ultimately into technikons, in a longer scale process mirroring the incorporation of university colleges (for example, the ML Sultan Technical College and the Cape Town Technical College, the forerunner to Peninsula Technikon).

Legislative and policy contestation began in this period around the inclusion of technical and vocational education in the definition of higher education or of secondary schooling, and the location of its control at provincial or central government level.

Thus, a functional divide between universities and technical and vocational education institutions emerged, but in the South African context, from an early point this became racialised, segregated and strongly imbued with differential status and prestige. Public higher education institutions, the universities, largely catered for whites and the university colleges largely catered for blacks on an ethnic basis. Private post-secondary institutions offering advanced technical and vocational programmes, many of them correspondence colleges, largely catered for blacks. Drawing on Levy and Geiger, Mabizela (2000) points out that in this period the operations of private providers were 'negligible' in terms of size and number of students and on the remote periphery of the emergent higher education system.

The racialised functional divide was deepened, legislated and formalised in the third period, from 1948 to 1990. The apartheid state established new public universities on racial and ethnic grounds to meet the differential needs of the political system and the industrial economy, and established racially defined public institutions to meet the need for advanced technical and vocational education, in the form of technikons in 1979.

It is notable that from 1955 vocational education was included in the legal definition of higher education. A highly fragmented and racially differentiated trinary system of public higher education gradually developed in South Africa, of universities, technikons and training colleges (teachers, nurses, agriculturalists and police). The boundaries between each system were rigid and inflexible, with little articulation or mobility possible.

The private institutions established in the previous period grew slowly but steadily to meet a range of demands. Private colleges such as Lyceum and Success offered tuition by correspondence and in the early years of the apartheid period, a growing demand from African students for these correspondence courses was reported (Mabizela 2000: 98). These private correspondence colleges acquired a distinctly inferior status and their qualifications came to lack prestige and exchange value. The professional institutes grew rapidly from the late 1960s, from three in 1948 and five in 1965 to 32 by 1974. Tuition on a part-time basis for many of their courses was offered in collaboration with the CATEs, themselves developing rapidly in the same period of economic boom (and in collaboration with the private correspondence colleges).

While the 1970s saw a growth in private institutions in response to new economic and skills requirements to accommodate the demand from sectors not addressed in the public universities, the 1980s saw a growth of student enrolment in the private correspondence colleges particularly (Andrew 1992). The private sector thus moved to operate on the periphery of the higher education system – poised to move further towards centre stage in the 1990s.

The themes highlighted in this broad historical sweep – of legislative definitions of higher education, of the relationship between general and vocational education and training, of degrees of privateness and publicness in funding and ownership of higher education, of collaboration between public and private, of shifting patterns of education provision in different periods and contexts, of racialised and segregated patterns of education provision, of shift-

ing demand and responsiveness – are all central to understanding private higher education in South Africa at the turn of the millennium.

Private higher education at the turn of the millennium

The historical trajectory traced reveals contestation, shifts and major systemic changes in the higher education system over the past 150 years. Yet, the 1990s saw epic global economic, political and social changes, not least of which was the transition to democracy in South Africa in 1994, that are of the magnitude of the economic, political and social revolution initiated by the discovery of gold and diamonds at the turn of the last century.

Since the 1990s, globally, education institutions have been faced with fundamental challenges of a magnitude that has been likened to an academic revolution (Etkowitz, et al. 1998). The traditional roles of higher education, particularly in relation to the demands of the economy, have been challenged dramatically, calling into question the funding, organisation and functioning of higher education.

In South Africa, with its own historical trajectory and local conditions, these global imperatives have taken specific forms, with the resurgence of new forms of private higher education a key feature. A cursory examination reveals that the most distinctive feature, both historically and since the 1990s, is the profit orientation of the majority of private institutions.³ The primary motivation for the establishment of the majority of institutions was entrepreneurial, or profit-seeking. Management staff at one institution graphically illustrated that the primary interest served was their shareholders' demand for profit:

Ultimately we are a business so what is the point if you are not generating profit...Ultimately the institution reports to the parent company, and if your financial figures are not healthy you are basically in trouble.⁴

At the same time, these managers stressed that they are in the 'education business', not any other, and that the goal is to address the need for education, to provide maximum value for the students. Any discussion of the origins, history and motivation for the establishment of private higher education institutions needs to be read with this profit orientation sharply foregrounded.

The following four sections will analyse the history of individual private institutions in the study, in order to illuminate the local trajectory, and so to begin to identify the specific impulses of demand they respond to and their function as institutions. Analysis will proceed by identifying convergent and divergent trends in the formation of the individual cases *within* each of the four selection categories. Each sub-section will begin by examining the broad policy and structural context that particularly shaped the emergence of specific forms of private institution, before grouping cases to reflect convergent pathways to their establishment. This will represent the first step to identifying appropriate ways of distinguishing private sub-sectors.

The three trans-national cases

The growth of trans-nationals in policy context

Table 2 reflects the year in which each institution was formally established. A clear trend is evident, that the three trans-national cases were all established very recently, with a distinct cluster around the early 1990s.

Table 2 Year in which private institutions in the study were established

Institution	Year established
TN1	1992
TN2	1994
TN3	1996
FC1	1989
FC2	1991
FC3	1950
FC4	1998
TVET1	1951
TVET2	1893
TVET3	1977
TVET4	1989
TVET5	1994
TVET6	1980
CC1	1957
CC2	2000

The trans-national institutions may be seen as the product of the period of transition in South Africa, and the greater opening up to the forces of globalisation, interacting with the marketisation of higher education internationally. On the international supply side, the growth of 'academic capitalism' has meant that institutions in the developed economies are seeking new sources of income generation, and one key form is exporting programmes to developing countries (Marginson 1997; Stone 1990). On the local demand side, in the face of the isolation created by economic sanctions in the 1980s, and with greater opening up to international markets and opportunities from 1994, internationally accredited certification has come to have a high exchange value.

Bennell (1998) has traced the rise of international collaborative partnerships in the context of pressures to create 'high skill' societies, particularly in the form of 'overseas validated courses'. The most common form of collaborative agreement is whereby a university in a developed economy effectively franchises a local institution in a developing economy to offer its programmes, leading to the award of its qualifications. The leaders in such a higher education export trend are in the United Kingdom and Australia, particularly the new universities established from the old polytechnics, in a context of policy and funding reforms that have increased competition between universities. The development of this trade in educational services has been facilitated by technological change, by the growth of rapid and relatively cheap information and communication technologies.

Of great significance for the South African case, Bennell's empirical work suggests that the growth in the number of overseas validated courses and the number of student enrolments has been extremely rapid over a short period, between 1994 and 1997. South East Asian regions, particularly Hong Kong, Malaysia and Singapore are key markets, especially for Australia; while British universities have a greater geographical distribution across Eastern and Western Europe, Africa and the Middle East. Some 5.5 per cent of British collaborative links were reportedly with South African institutions.⁵ The majority of undergraduate and postgraduate programmes are focused on vocational fields, particularly business, information technology and management. And over three-quarters of collaborative partners in Africa, Asia and the Middle East were private training institutions.

Bennell succinctly explained the private sector's role in stimulating the demand for foreign qualifications:

Faced with enormous pent-up demand for higher education, the private sector have been quick to recognize the lucrative market opportunities to be exploited. Education entrepreneurs have looked for products that can most effectively compete with national higher education qualifications. Foreign degrees and diplomas have performed this competitive role extremely well and, in many countries, private sector training centres have been able to offer these qualifications without having to be formally accredited by government as a university-level institution. (1998: 22)

Bennell's work provides a useful lens to understand the rapid growth of transnational private institutions in South Africa in the period of transition from 1990, intensifying after the formal change of political power in 1994, until the process of state regulation began to be more systematically implemented in 2000. There is compelling evidence that South Africa was seen as a potentially lucrative education market, primarily by emergent Australian new private and old public providers and by newly created British universities such as the University of Buckingham, one of the few private British universities (see Pritchard 1992). The scale of the trend was initially considerable. One indication is that when, in January 2000, the Department of Education did not grant conditional registration to 75 of 200 private institutions that had applied, more than 30 were foreign universities.

There has been a great deal of negative sentiment towards these foreign providers from South African public universities that view them as a major competitive threat. Bennell (1998: 24) has pointed to the need for 'appropriate protective measures' by national institutions and governments, in the face of competition from foreign providers that could affect their status and survival in the medium to long term. The national Department of Education has taken such appropriate measures, to ensure that a proliferation of foreign private providers would not adversely impact on attempts to transform the higher education landscape. The Minister of Education was quoted deliberating a course of action that would be in the interests of the public good:

These private institutions are taking students away from our state-subsidised insitutions. In the end, I will have to decide: do we

allow their unlimited establishment? What sort of registration system should we put in place? How do we monitor quality so that our people get value for money? And should we allow for the unlimited repatriation of profits? (*Mail & Guardian* 19 November 1999)

The Minister of Education subsequently declared a moratorium on the operation of foreign universities inside South Africa (Vergnani 2000), which remained in place while national task teams formulated and recommended policy.

This does not necessarily mean that foreign higher education institutions have ceased operating in South Africa, or that providers are not seeking ways of continuing the foreign collaboration in new forms. The possibility of virtual learning via the Internet is a major international trend,⁶ the impact of which is beginning to emerge in South Africa. There are at least a further five British providers (some named on a Department of Education list of institutions that have withdrawn applications for registration) who have co-operation agreements with registered private providers in relation to curriculum and programmes, but not formal certification. There are currently four trans-national providers registered and accredited by the Department of Education, and three of these are recognised and accredited to offer the lucrative MBA degree.

The three institutions included in the study are all conditionally registered to offer programmes on the higher education band, and trans-national institutions have significant stakes in their ownership.⁷ An examination of their individual origins illustrates the broad trends described by Bennell. More specifically, it illustrates the coincidence of interests providing an impulse to the establishment of private trans-national institutions in South Africa.

South African entrepreneurs in partnership with foreign institutions

What became apparent from an examination of the institutional histories of two trans-national cases is that the impetus for their establishment came from local academic entrepreneurs, who sought international partners to give academic weight and legitimacy to their projects.

One case provides a good exemplar of this trend. As the current management staff explained their history, a professor at a 'prestigious' South African busi-

ness school identified a gap in the market for programmes of quality that met the demand for a more integrated mix of academic and practical skills, and that were internationally competitive. In 1992 he established the institution, building on an academic partnership with a private United Kingdom business school⁸ to offer the MBA as well as acting as an education ‘brokerage’, arranging appropriate programmes for corporate clients. The founder later sold his shares to a major publicly listed South African education holding company.

The other case similarly has its origins in a business school established in 1994 by a group of South African entrepreneurs, lecturers and managers in other private higher education institutions. Typical of the origins of many private institutions, they reportedly used their private savings and bank loans granted against their home mortgages to provide the initial investment for the business. The stated motivation for establishing the institution was twofold, in that the founders saw the potential financial value of establishing a private higher education institution, and the educational value of creating ‘an institution where academic quality was as important as work readiness.’⁹ Initially the programmes of South African private Professional Institutes were offered, but in 1995, the founders began to search for international universities to form partnerships for accreditation and programme collaboration. After a short relationship with a United Kingdom university, a major shift occurred when the institution reconstituted itself as a satellite of a new Australian (formally) not-for-profit private university, itself founded in 1988. It, too, was then bought by a major publicly listed South African education holding company in 1997, but the qualifications are awarded by the Australian private university. With this investment, programme provision was expanded from the MBA to include undergraduate education, and the institution began to operate as a ‘university’ with a focus on a narrow band of business and Information Technology career-oriented degree programmes.¹⁰

Foreign entrepreneurs

In contrast to this pattern of South African entrepreneurs establishing a private institution, developing partnerships with international institutions and attracting substantial investment by publicly listed companies, the third case offers an instance of a foreign entrepreneur directly entering the South African market.

The international private institution was established in Holland in 1986, and has established operations in other countries, as well as an Internet-based programme. The institution's founding 'story', told by a number of managers, was that the founder, described as a 'humanitarian', recognised the South African market potential, but claimed to be motivated by a moral and educational commitment to meeting management development needs in South Africa.

A strong entrepreneurial impulse

There is a great deal of convergence in the origins and history of these three trans-national cases. Each was established out of an entrepreneurial impulse to take advantage of an emerging education market, particularly with a focus on the high status MBA programme. A complex mix of interests, of local education entrepreneurs, foreign entrepreneurial universities (public and private) and local education holding companies, coincided in their formation. A strongly entrepreneurial market impulse lay behind the formation of trans-national institutions.

The four franchising college cases

The growth of local partnerships in policy context

The franchising college selection category was also characterised by collaborative partnerships and agency agreements, but in these cases, between local public universities and private institutions, taking a number of possible forms.

The most prominent form of collaboration was related to the market pressures on the South African national public higher education system in a new policy, legislative, funding and global context. The impetus came in these instances from some public institutions seeking to consolidate their position in a changing context. The strategy of partnerships was adopted primarily by 'entrepreneurial-expanding' (Cloete et al. 2002), historically white Afrikaans universities and technikons, such as Pretoria and Potchefstroom Universiteit vir Hoer Christelikeonderwys. In the face of perceived cuts in state subsidy, these institutions began to adopt strategies to enable them to expand their student market. Such strategies included satellite campuses in areas not well served by

public institutions, distance and telematic education. Private providers, most typically those long existing since the 1940s, with strong expertise in distance education, were engaged to deliver the programmes of the public institution, which certificated the qualifications. Upgrading of teacher qualifications was a major focus of many such partnerships. The majority of qualifications were not at the traditional university degree level, but represented an attempt to expand 'downward' to the intermediate level of certificates and diplomas, again, drawing on the expertise of long-established vocational private correspondence colleges.

The dynamics of the relationship were similar to those of 'overseas validated courses' but here were what may be termed, instead, 'local public validated courses'. In such forms of partnership, the private institution provides administrative, logistical or tuition support, teaching the programmes and offering the certificates, diplomas or degrees of the public institution.

Initially the state encouraged partnerships between public and private institutions, as a means of ensuring quality in the private institutions, to benefit from the experience of the public sector. However, concern grew regarding the detrimental impact of the rapid growth of such partnerships, and at the abuses of the state subsidy funding system that became evident. In 1999 the Minister proclaimed a moratorium on new partnerships. The Department of Education commissioned Advocate Gutto to investigate, particularly the problems attached to the practice of financial 'double dipping'¹¹ (2000). The scale of this form of public-private partnership was evident in his report, which identified 251 partnership agreements, with 13 of 36 public higher education institutions entering into such arrangements. However, it was evident that a small number of public institutions accounted for a large number of the partnerships and total student enrolments.

As the National Plan for Higher Education (Department of Education 2001) reported, the Gutto investigation found that public institutions did not take sufficient academic responsibility for the programmes and students involved in such agreements, that staff often had a personal financial stake in the private partner, and that there were apparent abuses of the state subsidy system. Consequently, the Minister of Education declared new policy and criteria to regulate partnership agreements between public and private providers, in the National Plan for Higher Education (Department of Education 2001).¹²

The impact of this rapidly shifting regulatory context and of increasing market pressures on the public sector is evident in the history of some of the cases selected for the study. The selected cases have a range of origins, but none was established in response to an initiative by entrepreneurial, contact public institutions to expand market advantage through the services of an existing distance private provider. Rather, as the case histories below will demonstrate, here the dynamic was private–public collaboration, where a private provider sought public support to provide programmes and qualifications for an identified market.

Two of the cases emerged in the context of transition, another is a long-established professional institute which extended the nature of its operations significantly in the context of transition, and the fourth is very new, having been established in 1998 and having enrolled its first cohort in 2000. Thus, there appears to be a degree of variance between these cases that needs to be accounted for.

Franchising colleges

There is a distinct form of local partnership relationship evident, established in a slightly earlier period than the trans-national cases, from the late 1980s into the period of transition from 1990–1994. Local education entrepreneurs took the initiative to enter into collaborative partnerships with the large public distance institutions, UNISA and Technikon SA, in the face of a perceived general failure of public provision to offer a secure learning environment, and of perceived shortcomings of correspondence programmes specifically.

Some public universities were characterised by deep political turmoil at the time, in the late 1980s and into the 1990s. Some historically white universities had enrolled large numbers of black students, but institutions were ill-equipped to engage with the changes and demands of their new highly politicised student bodies, at a time of heightened national political conflict. This led to a degree of middle-class white ‘flight’ from some historically advantaged public universities.

One option was private study at home, through UNISA, the distance education university. UNISA had a large student enrolment, but suffered from an extremely low throughput rate, given the rigours of individual correspondence study. UNISA, unlike the historically white Afrikaans ‘entrepreneurial-expanding’

institutions described above, can be characterised as ‘domain-seeking’ (Cloete et al. 2002). In response to a shifting policy environment and market pressures, such an institution attempts to develop strategies to increase enrolment, to identify a new ‘domain’, with varying degrees of success.

In a set of dynamics similar to the trans-national institutions, local education entrepreneurs identified a market opportunity that intersected with the domain-seeking interests of a public distance university, to provide ‘local public validated’ degree courses. Essentially, these private institutions provided contact tuition support for UNISA distance degree programmes, aiming to ensure higher success rates, in the interests of the individual student, the public distance institution and the private provider.

The extent to which local academic entrepreneurs identified a gap in the market, to provide tuition support for the growing demand for distance education in the face of dissatisfaction with the public university sector on the part of a historically advantaged student segment, is typified in the history of one case. It is useful to quote the founder and CEO at some length:

We started around 1990/1991...I was an Associate Professor at Wits and I had a lot of time on my hands and needed something to supplement my income. I wasn't sure what to do so I started giving extra curricular tuition to UNISA students...We were very successful in the beginning and I attribute that to because us guys that were involved in it ate, slept, drank it...It was almost like a commitment to the cause...it was love of the students and what we were doing – it was the passion...The mistake, in inverted commas, is that we became a corporate and in becoming a corporate, we lost a lot of that passion.¹³

This institution first started offering tuition support for degree programmes, and subsequently approached UNISA to formalise the relationship. Similarly, another case was established in 1989, offering face-to-face tuition and support for UNISA programmes, primarily for students who were unwilling to attend the public universities because of perceived fears for their security, according to the ‘founding story’ told by the current management. Institutions like these initially tapped into this set of fears, and the demand for safe, secure institutions where tuition was not interrupted by political action.

The initial focus for both cases was the UNISA BCom. One case subsequently expanded to include tuition support for a range of UNISA degrees as well

as to develop its own programmes on the higher education and, to a greater extent, the further education bands of the National Qualifications Framework (NQF). Significantly, this provider has experienced difficulties in gaining accreditation, and has not yet attained registration of its own higher education programmes.

Far more successful, from an initial limited student market, the founders of the other case extended their offerings to include UNISA BA, BSc and LLB degrees to attract a broader range of students. They also attempted to develop collaborative links with British institutions, but these links did not mature. From 1999, after the promulgation of the *Higher Education Act (1997)* and the moratorium declared on partnerships, the institution expanded to develop its own degree and certificate programmes. Currently, only one-third of all students are enrolled for UNISA qualifications, with two-thirds enrolled on programmes for which the institution itself has been accredited.¹⁴ There has thus been a rapid transition from its initial roots as a franchising college, to an aspiration to full private university status, with programmes tailored to meet the 'high level' skills demands of the market.

The original impulse for the formation of these two cases is the same. At a specific conjuncture, their founders responded to a gap in the market created by the demand for higher education in a safe, secure environment, in the face of a perception that the public sector could no longer adequately meet this need. To do so, they entered into partnerships with local distance institutions, to offer their degree programmes, as a starting point. They may have a series of collaborations, some with public contact universities, some with public distance universities, some with international institutions, and some with all three at one time or at different points in time. Their origins lie in the ability to offer the programmes and qualifications of other local public institutions to a willing market. The subsequent shifts in focus and direction are driven by the changing higher education policy context, as well as the changing student market created by supply-side factors, and will need to be explored further.

Not-for-profit agency institutions

The history of these cases is strongly divergent from the other two cases initially selected in this category, and makes it clear that they do not belong together.

The first case was established in a completely different period, in 1950, as a professional correspondence institute. In the period of transition, from 1990 onwards, the institution itself became the agency at the hub of a set of partnership relationships with other private providers. Management related how it had changed significantly by outsourcing its courses and qualifications to other tuition centres, in response to a growing demand for credentials in the profession. Its role increasingly became a centralised one of accreditation and control of quality of tuition centres. Some of the private providers that are accredited to offer its programmes are themselves large, multi-site franchising colleges, which offer this agency's courses alongside those of UNISA and other accrediting agencies. It claimed to have over 90 accredited tuition centres throughout southern Africa in 2001, virtually all private. In 1997 it established its own Graduate School to offer postgraduate programmes, and it continues to offer professional benchmarking programmes, as well as offering professional and membership services. It is a large professional institute, claiming to be the third largest in its field internationally, with its agency function being one of licensing and provisioning. As an institution established to serve the needs of a profession, it operates not-for-profit in the interests of its members.

This case thus emerged in response to a very different impulse when compared with the franchising colleges described above. It initially was established in response to a professional and vocational demand in the 1950s, and it has expanded its mode of operation in a shifting policy context characterised by a growing demand for skills and credentials.

Nor does the history of the fourth case initially included in this category fit the pattern of the other franchising colleges. It grew out of a demand identified in 1998 by a non-governmental organisation aimed at supporting community development through education, for a higher education institution that could directly serve the needs of the historically disadvantaged. The aim of the founders, in the story they told, was to establish a low-cost university of high quality to provide access to 'the poorest of the poor', in the face of a perceived failure of public sector higher education institutions to do so. A central concern expressed by the founders was that higher education should educate young people more sufficiently to enter the workplace. It is characterised by a strongly spiritual dimension in the form of links with the Transcendental Meditation (TM) movement, and it has adopted a holistic education approach and curriculum from a TM university in the USA. In line

with its roots, the institution operates not-for-profit, and relies on strategic partnerships with foreign universities, corporate donations, in-kind sponsorship and a student employment scheme to continue operating.

This case is driven by a strong philanthropic and spiritual impulse, by the vision of the founders to develop the human potential and knowledge of those who have been historically disadvantaged, unlike the other cases in this category.

While there is strong convergence between the first two cases described as ‘franchising colleges’, there is a strong differentiation between them and these two cases. There is a degree of convergence between all four along the dimension of governance, in that all are organised around forms of partnership or agency agreements. This accounts for the initial selection of the four within the same category. Working systematically with the dimension of function, the different origins and the impulses that led to their formation clearly suggest that these two not-for-profit agency institutions do not belong in the same category. Further detailed exploration of the demand they respond to, and the aspects of their function in the following chapters, will inform their re-allocation to more appropriate categories.

The six technical and vocational education and training cases

The TVET selection category represents the largest number of private institutions, but these are often small institutions with a single field of focus and a single site of operation. A return to Table 2 to examine their origins reveals that they tend to be much older than the cases in the previous categories, having been established in earlier periods, one as far back as 1893, a number in the 1970s and 1980s, and a few in the period of transition. The latter two periods will form the focus of discussion, as they represent the core thrust for understanding the present.

Private correspondence colleges and professional institutes: precursors to TVETs

Some providers that would be included in this category have their origins in the period immediately prior to and during the early period of apartheid, to

meet demands for advanced professional and vocational training to equip skilled and semi-skilled labour for the growing industrial economy, taking the form of private correspondence colleges and professional institutes. Professional institutes were established in commercial fields like banking, accountancy, bookkeeping, marketing management, business and management. The correspondence colleges were legislatively recognised in 1965, and were registered and regulated by the Correspondence Colleges Council. Many developed links with accrediting bodies, both international (for example, the British City and Guilds) and independent national professional bodies (for example, the Chartered Institute of Management Accountants and the Institute of Bankers).

From the 1970s and into the 1980s, in a period of growing political and economic crisis, the apartheid government initiated labour market reforms in an attempt to address skills shortages. Andrew (1992) has demonstrated that there was a growth in the number of private distance colleges during the 1970s, in response to new economic and skills requirements. The focus was on the diploma and certificate level, and in business and commercial fields that were not addressed in the public universities, technikons and colleges. Andrew argues that during the 1980s there was considerable growth of student enrolment in the private correspondence colleges, and points to some 60 institutions registered with the Correspondence College Council by 1992.

Andrew's writing reveals a deep-seated resentment at the lack of recognition of the contribution made by the kind of practical education and qualifications offered at private colleges and professional institutes to productivity and the economy, and at the differential, inferior status accorded vocational education, particularly along racial lines. This deep academic/vocational divide, and the lack of access by black people to higher education, is significant for understanding these new forms of private provision in the present.

After 1994, with a shifting higher education legislative and policy context, many of these private correspondence colleges and professional institutes chose to enter the higher education market, with its increased status, legitimacy and recognition. In addition, new forms of such TVET institutions have been established.

TVETs in a policy context

A new policy and legislative context after 1994 provided enabling conditions for the growth of all private institutions. The Constitution, the *Higher Education Act* (1997) and the National Qualifications Framework are particularly significant. However, the new legislative context was particularly relevant in providing an impetus for long-existing private colleges to adapt their form and focus, in an attempt to achieve legitimacy and status as bona fide higher education institutions. While the regulatory and legislative context is thus discussed here, it should be borne in mind that the imperatives and trends refer to all private higher education providers.

The Interim Constitution of 1993 provided, amongst others, for the right of every person in relation to education:

To establish where practicable, educational institutions based on a common culture, language or religion, provided that there shall be no discrimination on the ground of race. (Section 32)

The terms of the Interim Constitution prevailed from 1994 until mid-1996, allowing for contested interpretations of its provisions in relation to education at all levels. Effectively, it was interpreted by the founders of private institutions to enshrine the right to private education with minimal state regulation. This provided a legislative context that facilitated the rapid establishment of private education institutions from the mid-1990s.

The Final Constitution (1996) more firmly reflected the principle of centralised state regulation with a greater degree of control, in the interests of the goals of equity and redress:

Everyone has the right to establish and maintain, at their own expense, independent educational institutions that

- a. do not discriminate on the basis of race;
- b. are registered with the state; and
- c. maintain standards that are not inferior to standards at comparable public educational institutions. (Section 29 (3))

These clauses provided the broad legislative framework within which the state could regulate private provision of higher education. At the same time, it continued to provide a framework within which private provision could be

promoted and championed by education entrepreneurs, within a discourse of 'constitutional rights'.

The historical oscillation in South African legislation around the inclusion of vocational education institutions alongside universities within the ambit of 'higher education' was discussed above. The *Higher Education Act* (1997), together with the *South African Qualifications Authority Act* (1995), unequivocally included all post-secondary vocational education within the definition of higher education. Thus, 'higher education' is legislatively defined as:

All learning programmes leading to qualifications higher than grade 12 or its equivalent in terms of the National Qualifications Framework as contemplated in the South African Qualifications Authority Act 1995 and includes tertiary education as contemplated in Schedule 4 of the Constitution. (*Higher Education Act* 1997 1.1(xiii))

This inclusive definition of higher education was rooted in a strong democratic impulse. The National Qualifications Framework (NQF), promoted at the heart of new national education policy, aimed to negate the 'cinderella' status of technical and vocational education and training in South Africa relative to the traditional academic, theoretical and professional education offered by universities. Through the NQF, policy aimed to achieve the integration of education and training into a single qualifications system, administered by the South African Qualifications Authority. Eight qualification levels were identified, with higher education beginning from Level 5 (certificates and diplomas) through Level 6 (degrees) and Levels 7 and 8 (postgraduate degrees).

This provided the opportunity to legitimate the vocational certificate and professional diploma level qualifications of private colleges and professional institutes within the ambit of higher education. Henceforth, such accredited qualifications could be deemed formally equivalent to the higher education qualifications offered in public universities or technikons at the same NQF level.

Concern at the implications of a rapid, *ad hoc* growth of all forms of private provision in the 1990s stimulated state attempts to develop a regulatory framework. The *Higher Education Act* (1997) provided specific criteria for the registration of private higher education institutions, based on evidence that the institution:

- (a) is financially capable of satisfying its obligations to prospective students;
- (b) with regard to all of its higher education programmes
 - (i) will maintain acceptable standards that are not inferior to standards at a comparable public higher education institution;
 - (ii) will comply with the requirements of the appropriate quality assurance body accredited by SAQA in terms of the South African Qualifications Act 1995;
 - (iii) complies with any other reasonable requirement determined by the registrar.

It became an offence to offer higher education without being authorised in terms of the Act.

The emerging regulatory and policy framework thus offered a positive impetus for long-existing vocational private colleges and professional institutes to emerge from their marginalised position, and gain recognition of their programmes, and it provided fresh impetus for new providers to enter the market. However, new policy and legislation was merely an enabler of these processes.

TVET clusters

The key impulse that led to the formation of TVET institutions, whether in the 1950s, the 1970s or the 1990s, was related to labour market needs. Implementing the NQF policy vision is a long-term process, resulting in anomalies in the articulation between general schooling, public technical colleges at the FET level, and public higher education. There are thus significant gaps in the education and training opportunities available for young people on leaving school. It appears that many private providers emerged to fill this gap.

The impetus for the establishment and reorientation of the six cases in the study was to respond to expectations of the massification and diversification of higher education and training in South Africa, and to meet new labour market demands for a large, skilled workforce. Given a range of origins and fields of focus, a number of clusters of cases may be identified.

The first cluster of cases is perhaps most typical of the category. There are few private providers focusing on production and manufacturing operations and

management. One such case included in the study was established in the late 1970s, reportedly as part of a drive to address the skills shortage in South Africa.¹⁵ In the context of transition, as the management told their story, it has adapted to encompass a progressive framework of qualifications, from ABET to NQF Level 6, that are intended to be highly responsive to the new economy. It offers education and training in a way that allows those with experience but no formal qualifications to become certificated and develop professionally, without having to return to formal schooling to gain the required minimum formal entrance requirements.

Another case was initially established as a private computer skills training college in a similar period in the 1970s, but was taken over by its present CEO in 1989 and evolved to its present form. It is one of the 17 conditionally registered private providers¹⁶ who address the strong market demand for vocational education and training in the field of Information Technology, and it is attempting to expand into Business Studies in general, as well as the Travel and Tourism niche market. It is also an accredited UNISA tuition centre for selected BCom degree courses. The focus of the college has been the FET band, but since 1997 it has attempted to gain recognition of courses on the Higher Education band, achieved in 2001. It has 48 sites nationwide, only ten of which offered programmes on the Higher Education band, and two of which are franchise operations. Management explained the shift to higher education with reference to the desire to maintain and increase market share and competitive advantage. Accreditation has been a significant means of gaining legitimacy and status.¹⁷

A second cluster of cases is aimed at specific occupational niche markets, and they distinguish their approach as being practice oriented and directly preparing students for the workplace. One case is in the entertainment field of live performance and motion picture media.¹⁸ It was reportedly a product of the process of democratisation after 1994, with an opening up of both the film industry and social-educational conditions. It was established in July 1994 by two film industry entrepreneurs, again with the passion mentioned by others, and a claimed commitment to extending access and opportunity to all in the industry. The other case offers vocational training in the gender specific field of beauty and health, in a secure environment akin to a 'finishing school' for predominantly white Afrikaans young women.¹⁹ It was established in 1980 to provide vocational career training, but since 1998, management claimed that

it has expanded significantly in response to student demand, and in the process, changed its structures and extended its programme offerings.

The third cluster of cases consists of long-established, post-secondary private theological seminaries and correspondence bible colleges, serving non-main-line Pentecostal and charismatic Christian denominations such as the Seventh Day Adventists, Baptists and the Full Gospel Church of God. In the context of transition, with the marketisation of education, and the emergence of a regulatory policy context, they have attempted to attain recognition and legitimacy as higher education providers.

The first case has retained the nature of a traditional church seminary, reportedly having grasped the opportunity for accreditation under the new regulatory framework. Its primary role remains providing local vocational training for the ministry, as well as religious training for lay members of the denomination in South Africa. The other case, while similarly established to meet the vocational training needs of the church for ministers, teachers and missionaries (albeit in 1893), has taken a different development path. It also provides a broad, Liberal Arts education on the American model underpinned by a Christian philosophy, in line with a long-standing aspiration to offer higher education in a Christian setting. In 1951 it made a major shift beyond a narrow ministerial training focus by offering UNISA courses, but then entered into affiliation agreements with two American private religious universities in the 1970s. In its historical origins, this case is most like the 'Wave 1' institutions that Levy discerned in the Latin American context, emerging in response to a desire for education that is governed by religious principles.

There is a strong degree of convergence between these six providers in that even where they were long established, in the 1990s context they have developed or adapted themselves to offer accredited higher education credentials. Institutions emerged in response to a shortage of opportunities for education and training in occupational niche markets.

The corporate classroom

This is an emergent form of private provider in South Africa. There are very few of these institutions, but they are potentially significant, judging by their international growth, particularly in the United States (Fehnel 2002). Here,

too, the new higher education policy framework has enabled the growth of provision.

The cases appeared to be related to those in the trans-national category, in that the large corporations that established them have a strongly international dimension, and some of their education institutions rely on partnerships with prestigious international institutions or with local public universities. However, the history of the cases revealed significant differences from the trans-national cases.

One case has a long history, having been established in 1957 by one of the largest South African mining companies, to provide executive, management and supervisory-level training of a non-technical nature to its staff. Management expressed a lack of confidence in the ability of public institutions on their own to meet the needs of large business corporations in relation to management, professional and vocational training. It was thus established in response to a demand for formal education and training that is integrated with workplace needs leading to formal credentials. It has collaborated with a range of international academic partners over the years, but with an increasingly diverse mix of local and international affiliations after 1990.

In the current context of marketisation, it has been restructured as a separate profit centre whose products and services would be available to other corporations. It has taken advantage of the regulatory policy context, and attained recognition as a higher education provider to provide legitimacy and weight not only to its qualifications but to its entire operation. It attained registration of a Certificate, Higher Certificate and Diploma, all three in the field of Trainer and Human Resource Development. It also offers a suite of development programmes with a focus on supervisory-level training, framed in such a way that they lead into higher level programmes, and short training programmes that it offers through a 'public course schedule', again, which serve to promote the courses offered at the higher education level. These public courses provide the bulk of the business generated. Approximately 35 per cent of course delivery is currently with outside clients.

The other case was very recently launched, in September 2000, as a corporate classroom with an Africa-wide focus, for the oil and energy industries. Management articulated that it responded to a demand for formal credentials in a strategically important industry, seen as critical to national economic and

social development. It represents a partnership among South African and international higher education providers, and South African and foreign corporations. Its role is currently largely one of educational broker but it is developing and seeking accreditation for its own programmes.

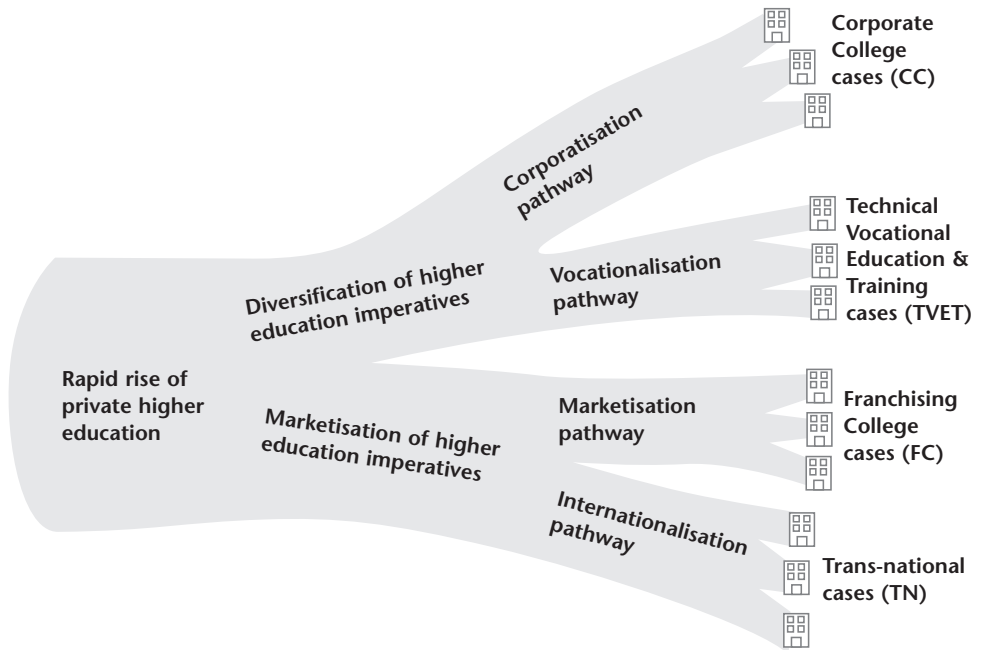
The corporate classroom cases appear to differ greatly in terms of ownership and funding from the TVET cases, but nevertheless, display strong convergence in the impulse leading to their formation. They respond to the growing demand for professional and vocational education and training, both historically and in a new globalising context. Specifically, they offer education and training directly tailored to the market and workplace needs of specific industries. Such dynamics have provided the impulse for their emergence.

Pathways to the establishment of private higher education institutions

South African educational and academic entrepreneurs responded in different ways to the forces of marketisation and diversification that were challenging higher education globally, to establish new private higher education institutions or re-invent existing private colleges in South Africa. It is evident from the histories described that the field is volatile and rapidly shifting. Private institutions have been established in one form, and have mutated and adapted to take quite different forms in a short space of time. Trends that were initially very strong were almost completely absent a short period later.

Nevertheless, four distinct pathways to the establishment of private higher education institutions in the contemporary period may be discerned. There is a degree of convergence, but strong divergent emphases in the motivation articulated and driving the founders to establish the cases within each category of institution. These pathways are graphically illustrated in Figure 2.

For the trans-national cases, the pathway was characterised by processes closely related to the *internationalisation* – or some might argue, transnationalisation – of higher education. Institutions were established in response to supply-side imperatives for foreign higher education institutions and entrepreneurs to extend their student markets, interacting with the aspirations of local education entrepreneurs.

Figure 2 Pathways to the establishment of private higher education institutions

For the franchising college institutions, the pathway was primarily characterised by processes related to the pressures of the local *marketisation* of higher education. Local education entrepreneurs interacted with the interests of local public institutions to extend their student markets and performance.

A strong degree of convergence is evident in the impulse to which the founders of both these categories of institutions responded. The main difference appears to lie in the formalisation of a relationship with either a trans-national or a local university.

A third pathway characterised the TVET cases, whose establishment was primarily motivated by processes related to the *vocationalisation* of higher education. Local entrepreneurs responded to demand-side pressures for increased opportunities for occupational preparation and certification.

Similarly, the pathway to the establishment of corporate classrooms is characterised by processes related to the *corporatisation* of higher education. Corporations responded to new skill and credentialising demands on their organisations on a greater scale than before.

Both these categories of institutions appear to converge around a particular form of demand, with the main difference lying in the presence or absence of a relationship with a specific corporation or industry body.

The pathways of internationalisation and local marketisation appear to be related, in that they both respond to an impulse of demand for forms of education that the public providers are not perceived to be offering, whether internationally or locally validated. They are strongly shaped by the imperatives related to the marketisation of higher education. Likewise the pathways of corporatisation and vocationalisation appear to be related in their response to the impulse of demand for new skills and credentials on a wider scale than before, oriented to a niche market or industry. They are strongly shaped by imperatives related to the diversification of higher education in South Africa.

Analysis of the origins and history of private institutions, using the dimension of function systematically to classify empirical cases, thus leads initially to the identification of a broad twofold distinction. It seems that there is strong divergence between the trans-national and franchising college cases on the one hand, and the TVET and corporate classroom cases on the other hand.

However, a more systematic and in-depth examination of interrelated features of the dimension of function – the vision and mission, socio-economic target group and student demand – will be required, before a firm conclusion can be drawn. The following chapter will build on the historical analysis, and contribute to this task by exploring the contemporary vision and mission of the cases in the study, to elaborate on the demand to which they respond.

Notes

- 1 Major sources to construct institutional histories were interviews with management and documentary sources obtained from each private institution, some electronically off websites, some in the form of brochures and pamphlets.
- 2 Organisational history of case TVET2.
- 3 Those that are not-for-profit, four cases in this study, FC3, FC4, TVET1 and TVET2,

tend to have a long history, with their origins in an earlier period. FC4 is a significant exception that will need to be explored.

- 4 Management interview, 2001.
- 5 This was reported by Bennell, drawn from his survey of all 124 British universities, to which 78 institutions or 62 per cent responded.
- 6 For instance, the Universities' Association of the United Kingdom has set up a project, the Observatory on Borderless Education.
- 7 Note that in some cases, only some of the programmes offered by a conditionally registered provider are accredited.
- 8 This institution was recently rated as one of the top five business schools in the UK.
- 9 Management interview, September 2001.
- 10 Current legislation decrees that only public institutions may be formally recognised as a university. Private providers may not use the designation 'university' in their names.
- 11 This refers to the fact that public universities are said to benefit financially both from direct state subsidy and from financial arrangements with private providers.
- 12 Henceforth, partnership agreements were to be part of an institution's three-year rolling plans, to fit with its mission, with national and regional needs, with its institutional capacity, to meet quality assurance criteria, with no overlap with dedicated distance institutions and with institutions taking full responsibility for programmes and providing uniform benefits to all students. Moreover, new programmes that will not receive state subsidies nevertheless require approval, using the same criteria.
- 13 Management interview, 2001.
- 14 The first degrees were awarded at the end of 2002.
- 15 It is one of four conditionally registered private providers who may be classified as offering programmes in the field of Science, Technology and Engineering.
- 16 From an inspection of the Department of Education list of registered and conditionally registered providers in 2001.
- 17 Direct evidence of this was in a dispute between this provider and the Department of Education, which took them to task for using the departmental logo in the marketing of the institution, an injunction they appear to have repeatedly ignored.
- 18 There were five private providers conditionally registered to offer programmes in the field of the Performing Arts in 2001.
- 19 There were 15 conditionally registered private providers in the field of Beauty and Health Therapies in 2001.

3 Exploring demand: Contemporary vision and identity

As for-profit businesses, private higher education providers have to market themselves effectively and extensively to attract their niche market and to create and sustain demand. Analysis of the public face they present, of the mission, vision and identity they articulate, will inform identification of the demand they propose to respond to in the present. This chapter is thus central to the task of analysing the 15 cases in order to identify forms of the private sub-sector more systematically. The analysis will proceed along the twofold distinction that emerged from the examination of the origins and histories of the cases in the previous chapter. The first section of the chapter isolates key themes in the expressed identity of the trans-national and franchising college cases, while the second section focuses on that of the TVET and corporate classroom cases. The analysis of contemporary vision and identity confirms and deepens the twofold divide evident from the histories of institutions, and suggests the existence of two distinct private sub-sectors.

‘Internationally recognised, career-oriented quality education’: the trans-national and franchising college cases

A major point of convergence in the identity of the trans-national and franchising college cases is that they primarily offer high status, university-like degree courses. Some institutions aspire to university status and have attempted to develop broad teaching, research and social responsibility missions, while others have a single focus on management education, some of these acting as education brokers. For the trans-national cases, the high status MBA is the ‘flagship’ programme on whose reflected glory lower-level management programmes are promoted.

An analysis of the stated mission and vision of the three trans-national cases revealed a high degree of similarity, with institutional variations in the relative emphasis placed on key themes. Their promotional literature, prospectuses and websites typically promoted a core set of values centred on an appeal to five interlinked goals, summed up in Table 3.

Table 3 Core values promoted by trans-national and franchising college cases

Trans-national cases	Franchising college cases
1. Academic quality	1. Relevant, quality education
2. International recognition	2. Safe and secure environment
3. A secure environment	3. Individual choice
4. Qualifications that prepare for the workplace	4. Practice-oriented professional career programmes
5. Flexible and efficient programmes	5. International recognition

Likewise, analysis of the stated mission of the four *franchising college* cases reinforced the patterns that emerged from an examination of the history and origins. Two cases display a high degree of convergence, but are markedly different from the other two cases, which will need to be ‘recategorised’. These two ‘franchising college’ cases typically emphasise a common set of values, crystallised in Table 3. The values promoted by these two franchising college cases strongly mirror those of the trans-national cases, again with institutional differences lying in the relative emphasis placed on each theme or value.

The next step in the analysis was to employ the conceptual categories developed in the international literature to interpret the demand that these common themes and values represent. The most appropriate interpretation is that these private institutions claim to offer education that is ‘better’ than that offered by the public institutions. As Levy (1986a) phrased it in the Latin American case, such private institutions aim to meet an ‘élite’ demand for forms of education that the public sector is not adequately providing. Indeed, many of these South African cases explicitly promoted their programmes with reference to the public university sector. However, a detailed analysis of the vision and identity of the cases revealed that in the contemporary South African context, a demand for ‘better’ education takes a very specific form. The institutions claim to respond to a demand for ‘better’ education in that they are more responsive to the needs of the workplace, in that they offer international portability and recognition, and in that they offer greater personal security and individualised attention. Each of these claims will be examined in turn below.

Career-orientation and employability

In the context of the pressures brought to bear by a global, high-technology, high-skill, low-employment economy, particularly in South Africa with its uneven development and legacy of inequality, there are fewer jobs, and different kinds of jobs, than there were in the past. Under such economic conditions, instead of attempting to guarantee 'employment' as in the past, the role of the state is to ensure the conditions whereby each citizen is able to become 'employable' (Brown & Lauder 1996). The state is responsible for providing opportunities for education and training, critical to ensure that citizens can continue to find jobs or to create new kinds of jobs themselves. There has been a shift in the desired link between higher education and the labour market, embodied in the call for greater responsiveness to economic and social needs, seen as critical for economic growth, development and redress of the past (Kruss 2002a).

Both the trans-national and franchising college cases evince a very strong vision of offering a 'better' quality education than the public sector, in the sense that they aim to offer programmes that are more directly responsive to the workplace, and better prepare students for the labour market, specifically, for professional careers.

Some management and academic staff at these private institutions explicitly articulated the key goal that their graduates should be employable. The mission of one trans-national case, to 'prepare learners for work', sums up a distinctive feature of the identity of these institutions. The impetus for the establishment of some cases lay in the dissatisfaction that senior academics in business schools felt with the overly 'academic' orientation of university programmes. Instead, they aimed to establish institutions that could be more directly responsive to the needs of the workplace.

It is significant that the 'workplace', for many of the trans-national cases, relates to the professional preparation of senior managers and executives, particularly through the high status MBA. For the franchising college cases, the workplace relates to the preparation of future high-skill professionals, particularly in the growing labour market segment of management. They offer programmes in the fields of management, business studies, information technology and related professions.

In the promotional literature of these providers, the notion of academic quality is directly linked to providing business and work experience to meet professional needs. The focus is on programmes that combine the academic and the practical, to offer practice-oriented professional programmes that are claimed to be directly relevant to industry and to ultimately provide employment opportunities for graduates.

A number of cases framed their vision in terms of new national higher education policy, articulating that they aim to contribute to national human resource development priorities. They stressed that they were highly responsive to new policy, claiming to develop their programmes in line with the new national qualifications framework and new educational approaches like outcomes-based education. In addition, they referred to their responsiveness to international educational trends, particularly evident in the adoption of different forms of 'action learning'.

Brown and Lauder (1996) have made a critical distinction between the goal of *employment*, where skills are closely linked to specific occupations and economic trajectories, and *employability*, where the focus is on skills formation to develop a highly educated workforce that is equipped for greater occupational mobility and flexible work patterns.

Preparation for employability is stressed in a number of cases. For example, they claim to use 'real problems inside of real business', providing the opportunity for students to apply the knowledge acquired in workplace scenarios. Key 'soft skills' such as strategic thinking are emphasised at some institutions. Academic staff stressed that their programmes attempt to balance general formative skills with specialised skills, seen as central to making graduates employable. There were claims that the management education offered is more practical and flexible than that offered in the public universities, and more closely aligned with the priorities and demands of the national Human Resources Development strategy. Management reported close links with industry, through a range of formal and informal mechanisms, such as internships in industry, in order to ensure employability.

The programmes of some trans-nationals were constructed to allow flexible learning, to facilitate those who are working and not able to study full time; others offered accelerated degree programmes and yet others specifically tai-

lored their courses for corporate clients – all claimed as evidence of greater responsiveness to industry.

These private institutions thus claim to offer students a ‘better’ opportunity to study in a way that will prepare them for employability, to participate at the high-skills end of the economy, particularly in increasingly significant management fields of employment, offering career-oriented professional education.

International portability

Closely linked with this set of values is an appeal to international portability, summed up in the claim of managers at one institution that:

We provide management with a world-renowned programme which competes with the best internationally, and they can get all this knowledge without leaving their home or their company.¹

Partnerships and networks, both global and national, both educational and business, and with recruitment agencies, are stressed as contributing to the strength of their programmes. The franchising college cases appeal to the international validity of their qualifications, but it is not as central to their identity and function as the trans-national cases, for whom this tends to be the predominant theme. The trans-national cases strongly claim that they offer a ‘better’ education than the public institutions, in that their programmes are internationally recognised and offer global portability.

The appeal of international accreditation, certification and portability is shaped by the end of decades of isolation in South Africa, which has led to a kind of reverence and enhanced prestige for all education that is perceived to be ‘internationally recognised’. The assumption is that an international qualification has greater status and exchange value, and will ensure greater employability, both inside and outside South Africa. This perception is reinforced by the imperatives of globalisation and the discourse of a high-skill society. Aspirant young professionals are driven to prepare themselves to be highly skilled, globally mobile workers, with wider opportunities.

The appeal of international accreditation is also driven by the fears and perceptions of many in formerly privileged positions for the future stability of South Africa. The internationally portable qualification is seen as critical for

young people, particularly those from historically privileged backgrounds, to equip themselves to seek a future in other countries, if necessary or desirable.

The international reputation of the 'parent' university is thus implicitly and explicitly promoted, particularly by trans-national cases. For instance, one case highlights the links with the Australian 'parent' university, the value of international accreditation, the portability of programmes between South Africa and Australia, and the global networking possibilities opened up through study. Similarly, one franchising college case has taken pains to develop networks that allow them to claim that their programmes are accredited by other '*internationally recognised* higher education institutions'.

Safety and security

Related to these fears of change in South Africa, these cases promote themselves as offering a 'better', safer and more secure learning environment than the public universities do. This theme is more predominant in the franchising colleges cases, but is a clear feature of the trans-national cases' identity too. These franchising college cases were established to provide a 'safer' alternative for historically privileged young school leavers and their families, dissatisfied with the political turmoil and changing student profile in public universities in the late 1980s, which was believed to impact on academic quality.

The appeal to personal security should not be interpreted along racial lines in a stereotypical manner. In a national survey of the expressed choices of school leavers, Cosser (2002) found that coloured and Indian learners are slightly more influenced than African and white learners to seek private higher education because they believe it offers better personal security.

Moreover, as conditions in public universities settled in the 1990s, the appeal to such perceptions and fears lost its edge. For example, management at one franchising college case candidly admitted that they were losing some of their traditional market, which they attributed to the greater stability in public higher education institutions, and to the growing overseas market, given their high fees. In this light, the group has targeted specific socio-economic groups in various ways, particularly in the choice of physical location for their delivery sites. This means that different campuses have very different identities – from the buildings themselves to the people who staff them. They have select-

ed sites that will draw in middle-class students who have their own cars and who are looking for a safe environment in which to study. They have also selected sites that are on taxi routes and are easily accessible using public transport at all times of the day, perhaps for those who have not met the entrance requirements for other public higher education institutions, or who are working.

The appeal to safety and security continues to be evident in the vision and mission of these cases, albeit in a more muted manner. They tap into these aspirations and fears, in what they promise to offer. For instance, one franchising college case stressed the safety and security of the campus environment as part of their distinctiveness – by implication, relative to the public universities.

The appeal is also evident in the general emphasis that, as private institutions, they offer individual choice and opportunity. The recognition of individual needs, choice, value for money and achievement of potential are emphasised by all of these cases as core values, all appealing to a privileged, professional or aspirant professional target group.

Quality education

Both franchising college and trans-national cases emphasised the provision of quality tertiary education, and both defined what this means in very similar ways, linked to security and individual privilege. The benefits of international partnerships are claimed to assist institutions to be on the cutting edge of trends and research, for instance, on management education, and so to provide a 'better' quality of education than that offered in the public institutions.

Both trans-national and franchising college cases strongly claimed to offer 'better' quality of teaching, facilities and learning environments, which are aimed to be 'conducive to study'. Academic quality is equated with maintaining small classes, employing a core of 'dedicated' academic staff and offering personalised individual attention. The typical claim is thus that the private provider offers better quality pedagogically, in a way that is more flexible and efficient for the individual and the organisation. These claims are related to the diversification of the higher education system, and represent an attempt to attract privileged élites into an environment where they can continue to

study in (relatively) privileged conditions that, nonetheless, offer academic quality and prestige.

The demand for 'better' education

The formal mission and vision of these cases typically are grounded in the aspiration to offer 'better' education than the public universities. In the Latin American case in the 1980s, the demand for 'better' education was characterised as an 'élite' demand, driven by the failure of public institutions to offer a politically safe environment and to offer quality credentials that would ensure ongoing class differentiation and social status (Levy 1986a). The demand for 'better' education in South Africa in the 1990s and 2000s is similar but more complex.

The private institutions are capitalising on the perceived failure of public universities to become more responsive to changed economic conditions and new expectations of the role of higher education, in a context of shifting relations between the state and higher education. In particular, they aspire to meet the demands of business and industry for graduates who are employable, by stressing career-oriented, practical programmes that incorporate workplace experience. They propose to meet the high-skill needs of the economy by preparing managers in quality programmes that are equivalent to those offered internationally, in high-status university-level programmes.

They appeal to potentially mobile students and professionals from privileged socio-economic backgrounds, as well as those from relatively privileged backgrounds with upwardly mobile aspirations, by promising to offer them internationally recognised quality programmes in a secure environment that will enhance employability. Analysis of the convergent vision and identity promoted by the trans-national and franchising college cases suggests that in this way, they offer to ensure and enhance social status and mobility.

'Practical workplace preparation and extending opportunity': the TVET and corporate classroom cases

A major point of convergence between the TVET and corporate classroom cases is that they predominantly offer programmes at the intermediate level,

at Level 5 on the NQF, in the form of certificates and diplomas. This is in stark contrast to the primary qualifications focus of the trans-national and franchising college cases. While there are a few cases that do offer programmes at first degree level (Level 6), they do not claim to offer traditional general formative degree courses, nor do they offer postgraduate programmes like the MBA. This suggests, significantly, that they are aimed at a different segment of the labour market, at a different level of skills development, which would reinforce the divergence noted from an examination of their history and origins.

Analysis of the vision and identity of the six TVET and two corporate classroom cases included in the study revealed strong similarities centred around a core set of values that characterise this difference:

- Preparation for the workplace.
- Specific vocational or professional niche.
- Expanding access to (new) occupational fields.
- A strong practice orientation.

Analysis of these core themes using the conceptual categories of the international literature to determine the demand they represent was initially complex. These institutions do not foreground a claim to offer education ‘better’ than or even equal to public institutions.² They do not strongly foreground a claim to offer ‘more’ education than is required in excess of what the public system can provide, or to extend access to higher education.

Rather, the key to their distinctiveness appeared to lie in the claim to offer education that is ‘different’ to what the traditional public sector has offered. There were two cases that are ‘different’ in the sense commonly used in the international literature, in that they meet a demand for distinctive education on the part of a specific religious or cultural group, to meet specific religious or cultural goals.³ For the rest, however, their ‘difference’ from the public institutions lies in their claim to offer education and training linked directly to the workplace, and to specific occupations, rather than a broad general academic education. Examination of the origins of these institutions highlighted the significance of the inclusion of technical and vocational education and training within the formal definition of higher education in South Africa, and of an integrated qualifications framework.

These cases are ‘different’ in that they have responded to the new logic of higher education responsiveness in South Africa with a uniformity of purpose, in

the aim to provide specialised education and training credentials for a niche market, to broaden access to the workplace and job opportunity. Each of these themes, promoted by the private providers explicitly and implicitly, will be examined in turn.

Preparation for a workplace niche market

Traditionally, private colleges have prepared directly for employment, offering narrow vocational training. Many of these new private providers are not simply concerned to prepare directly for employment, but place their missions within a wider vision and aspiration to train for employability at the intermediate level, for a specific labour market segment.

In an economic context where there is no guarantee of jobs, these private institutions propose to offer credentials that promise potential employability to the individual. Their self-appointed task is to provide qualifications and certification to equip graduates in finding employment in new fields, or in creating their own employment. This stated commitment was typically summarised by managers at one case, when motivating that their programmes and curricula should ultimately ensure that students are employable:

The big issue is cost – what can the South African student afford to pay in order to be equipped for a career...We will not train students without being sure that they have a chance of making a living. We must see an opening in the market and feel that there is a chance it will succeed, and then we will take it on.⁴

Management and teaching staff typically stressed that they do not simply prepare for a specific job, but rather, they prepare a professional orientation. A good example of this is the way that lecturers stressed at one case that:

it's not just skills they need to carry out, they must look at client care, at the professional way they present themselves, the things you develop yourself.

These private cases do so by orienting themselves to a specific occupational niche market, to fields such as health, entertainment, tourism or design, and the ubiquitous field of business and management. They are particularly oriented to new forms of occupation in the growing service industry, such as tourism, leisure and media.

A related theme that many cases articulated in their vision statements is an undertaking to contribute to the development of an industry, and in this way, to national development goals. A typical case is one TVET, which aimed to improve the level of production in the manufacturing industry by offering training to workers in specific industrial environments. Management staff interviewed justified their existence on the grounds that the public higher education system has little capacity to provide the skills necessary for economic growth and development, nor can it respond rapidly to changing demands because of the rigidity of its structures and bureaucracy. They thus claimed to offer a 'different' form of education and training that is directly responsive and meeting skills needs in the industry.

Another TVET case articulated this core value as 'the development of viable careers – in particular, the training of entrepreneurs and therapists in service of the country and its people'. A corporate classroom case claimed to contribute to the petroleum and energy industry nationally and throughout the African continent. Such cases explicitly linked their vision to national skills development policy and programmes in South Africa.

Examination of the vision and mission of one of the cases originally selected as an instance of the franchising college category, which in practice displayed great difference from the others, revealed a great deal of resonance with these TVET and corporate classroom cases. Central to the mission of this case is a concern for the significance and standards of practice and ethics of the marketing profession. Emphasis lies on the goals of furthering the recognition and professionalisation of marketing, the education and training of marketers and the recognition and certification of marketers at various levels of expertise and superiority. This case was, therefore, more suitably re-categorised with these cases that claim to respond to a demand for enhancing employability in a specialised niche market.

The TVET cases with a primary religious orientation are similarly oriented to prepare students for the workplace, in these cases, to prepare leadership for the Christian ministry, but increasingly, alongside general Christian-oriented education.

The corporate classroom cases share the broad commitment, but tend to foreground the needs of the corporate organisation more specifically. For instance, at the core of the mission of one case is a commitment to 'perform-

ance improvement', to ensure that education and training have immediate value to the individual learner and to the corporate sponsor or employer. The link to the workplace is structurally very close, but whereas in the past the institution served a single corporation, this has been extended to include a value chain of associated industries and a wide range of corporate organisations. The corporate classroom cases thus differ from the TVET cases in their close relationships with specific industrial corporations, and their aim to serve the needs of both individuals and their organisations.

In general, the central concern of these cases was neatly encapsulated by the manager of one case who claimed, 'it doesn't matter if you haven't got a BCom, you must be employable'.⁵

A practice orientation

A number of TVET and corporate classroom cases described themselves as distinctive in that they produce graduates who can 'do the job'. Programmes reportedly have a strong practice orientation, and this is promoted as a major drawcard. Here, many compared their approach and what they offer with that of public institutions, to stress their distinctiveness. One TVET case, for instance, claimed that part of the motivation for establishing the institution was a gap identified in the higher education sector, for formal training and programmes that produced real (and good) ability in the entertainment industry, as opposed to a purely theoretical knowledge, or an informally acquired knowledge. The claim was that, unlike a university degree where a student may graduate with a BA (drama) degree, their graduates are equipped to succeed in their area of vocation, as producers, production designers or editors. Similarly, another TVET case aimed to bridge the gap between those employees who currently have experience but no formal qualifications, and those who have formal qualifications but little experience, in their programmes.

What is clear in their stated identity and vision is that many cases drew on new national education policy to frame their practice orientation, and here the close interlinkage with employability became strongly evident.

Extending access to new employment opportunities

A strong point of convergence in the mission and vision of the TVET and corporate classroom cases is the deliberate claim to contribute to employability by extending access to higher education and training. This claim takes a very specific form. The trend is not to link access broadly with a discourse of equity and redress of past inequalities, as articulated in state higher education policy and programmes. Rather, the claim tends to take the specific form of opening up access to obtaining credentials that will allow individuals to enter professional and vocational fields to which they may have been denied access in the past, in terms of job colour bars, legislated and informal. As the local labour market has opened up after 1994, access here is viewed in terms of opening up wider opportunities for employability in a wider range of occupations.

The promise of formal qualifications, of meeting a demand for recognised credentials and their accompanying rewards, is critical to the identity of these cases. Many prominently refer to their status as institutions offering programmes legally recognised and accredited by the Department of Education.

The strong desire for formal credentials is related to the racialised restrictions on access to labour market occupations and higher education in the past.

Some institutions explicitly articulated a claim to be opening up access to occupations and fields of employment in terms of addressing inequity on the basis of race and gender, of ‘historical patterns of domination’. For example, one TVET case foregrounded the aim of addressing historical imbalances in the film and entertainment industry to create a student body ‘which represents the demographics of South Africa and which constantly fosters a spirit of sensitivity to the injuries and injustices of the past’.⁶ Corporate classroom cases, too, clearly articulated a desire to open up the supervisory and management levels in their fields to what they termed as ‘previously disadvantaged communities’ in South Africa.

The demand for ‘different’ education

The formal mission and vision of these institutions typically centres on the strong aspiration to offer education ‘different’ to that of the public universities.

However, the demand for ‘different’ education in South Africa in the 1990s and 2000s is not interpreted in line with the common usage in the international literature.

Brown et al. (2001) argue that contemporary global economic conditions – the Information Technology revolution, the growing demand for professional and managerial work in the service economy, and more competitive labour markets on a global scale – all underpin a new ‘global consensus’ impacting on national economies and states. The new ‘global consensus’ promotes a free market vision of ‘high-skills’, basically proposing that technological change requires greater education and training to develop a high-skills workforce, which will lead to high wages and economic growth and thus improve the social living conditions of all citizens (Brown et al. 2001). Education and training that will equip individuals for economic opportunity and choice of occupational status has thus become critical. The conditions which shape the emergence of forms of private higher education in contemporary South Africa are thus very different to those in Latin America and other developing countries in the 1980s.

There are some South African private institutions that are ‘different’ in the sense of offering a separate education to those who wish to study with others of a similar religious background and set of values. However, these cases share key features with the others that mean they, too, offer a ‘different’ kind of specialised, niche-driven credentialing, oriented to the workplace.

In South Africa, higher education itself is becoming diversified, and taking the form of professionally and occupationally oriented study alongside traditional formative degrees, in a policy context that promotes the integration of education and training, of the vocational and the academic. It is in this sense that, in the contemporary South African context, this form of private sub-sector may be interpreted as responding to a ‘different’ demand for education, in relation to the needs of the labour market and responsive to the economy, bearing the imprint of ‘global consensus’.

Perhaps a more accurate term is that proposed by James (1991), of a ‘differentiated’ demand in the sense of offering alternative types and quality of education to that provided by the state.

James argues that this type of demand operates primarily in developed countries, and in developing countries, one is more likely to find an ‘excess’

demand for education, above that which the state can provide. Levy would term the latter a demand for increased access to higher education that the state cannot accommodate, typically found in Latin America in the 1980s. Geiger would term this a demand for 'more' education.

The question arises whether there are cases of private provision that should rather be interpreted as meeting such a demand for 'more' education. Unlike the Latin American case, in South Africa there has not been a failure of the public higher education sector – universities and technikons – to absorb a growing mass of students in absolute terms. In the late 1990s, there was a dramatic drop in the numbers of students attending universities in favour of public technikons, and an overall decrease in the total number of students enrolled in public higher education institutions. This is largely attributed to a decline in the number of school leavers attaining a matriculation exemption, which qualifies them for entry into higher education. While there are indications of a recent renewed upward trend, it can thus be argued that few registered private higher education institutions have emerged directly in response to excess demand in South Africa in the 1990s.

However, there was one case in the study, initially selected as an instance of a franchising college, that did appear to have a strong element of responding to excess demand, again, in a uniquely South African way. This case had the values of redress and development most centrally articulated in its vision, shaped by its history as an offshoot of an NGO. Managers at this institution argued that a strategic analysis conducted prior to its establishment suggested that the higher education model adopted by most universities in South Africa was problematic, as it was 'unuseful to meeting the needs of South Africa's historically disadvantaged, or the responsive education requirements of the global economy'.⁷ The founders thus resolved to offer a 'different' form of business degree that would be better than the public sector's in providing relevant access to a historically disadvantaged group of students.

There is a degree of convergence with the other franchising colleges, in the career-oriented, high-status degree-level focus, and the appeal to internationally recognised qualifications. However, there is strong divergence in the emphasis on an alternative vision, of African-based education where the content is relevant for developing nations, that 'allows for extremely low cost, relevant, practical, technology based and cutting edge, mass scale higher education'.⁸ In this orientation, and given its niche market specialised focus on the

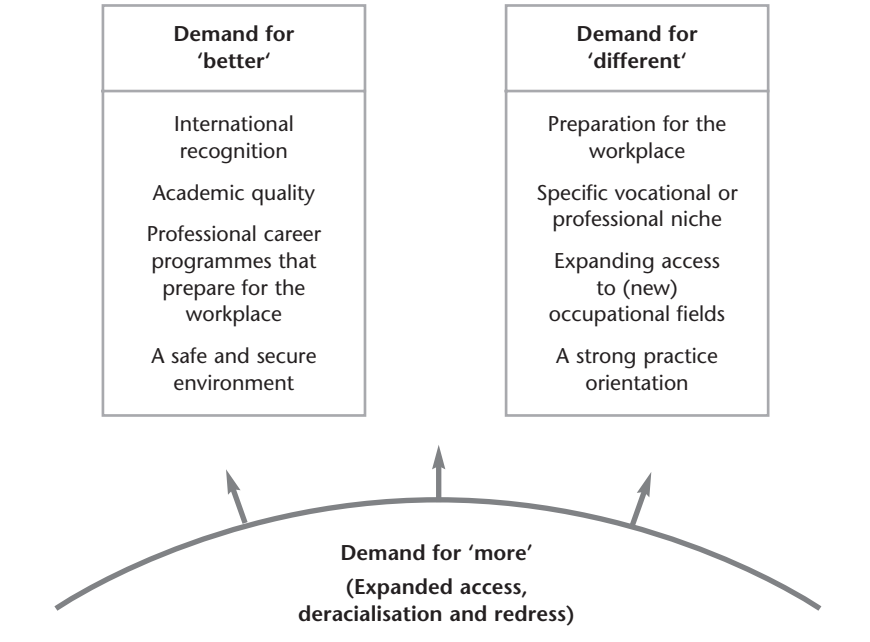
B Admin programme, this case is more strongly convergent with the cases meeting a demand for 'different' education. Further support for this categorisation lies in the fact that the founders and key staff were motivated by a philanthropic zeal, and the entire educational process was imbued with the principles of the Transcendental Meditation movement, with which it had strong educational links. In this sense, the case offers a 'different' education more akin to the usage in the international literature, linked to a specific cultural or religious group. For the purposes of further analysis, this case too was re-categorised with those that respond to a demand for 'different' education, but bearing in mind that this is tempered with a strong element of responding to a demand for 'more' education.

In general then, the TVET and corporate classroom cases may be said to absorb 'excess demand' only in the sense that there are few educational opportunities in the public sector at the intermediate level linked to new kinds of jobs, particularly for those without matriculation exemption. This form of private provider thus may be said to display *elements* of demand absorption, of responding to a demand for 'more' education and training than the public sector can provide, in their stated attempts to extend access to credentials that will equip young people to be able to pursue a wider range of employment opportunities. Unlike the forms of private provider that aim to increase employability on a global landscape, these cases aim to increase employability on the landscape of the local labour market.

In the contemporary global economic context, it is therefore more appropriate to claim that these South African private institutions meet a demand for 'different' education, in the broad sense of alternative types of education and training to that offered in the public system.

A twofold divide

The pattern of a broad twofold divide that emerged from an analysis of the history and origins of the cases in Chapter 2 is thus confirmed by the analysis of the demand represented in the vision and identity of the private providers. Figure 3 sums up the core values enshrined in the stated vision and identity of the cases, showing how each crystallises around responding to a demand for 'better' or for 'different' education and training.

Figure 3 Core values and demand

There is compelling evidence that there are two distinct private higher education sub-sectors, distinguished by the demand they respond to, central to their function. There also appears to be considerable ambiguity surrounding elements of a demand for 'more' education in South Africa.

However, this chapter has only considered the stated aims, mission and vision of private institutions, of what they claim to offer and the demands they claim to meet in order to attract students. It does not consider what they do in fact offer. The following chapter will add another layer to deepen the analysis, by considering the evidence on the students who currently study at private institutions, and the reasons they articulate for their choices. On this basis, a more nuanced and complex understanding of the primary function of different forms of private provider can be developed.

Notes

- 1 Management interview, 2001.
- 2 Indeed, one TVET institution that expressed the value of becoming a market leader in its mission statement, articulated this objective in terms of attaining competitive advantage over other private providers. Public institutions were not considered to be realistic competition, as they possessed the unassailable advantage of government subsidy.
- 3 Such institutions represent a sizeable group of the total number of registered private institutions, numbering 17 institutions in 2001.
- 4 Management interview, 2001.
- 5 Management interview, 2001.
- 6 Institutional promotional literature, 2001.
- 7 Management interview, 2001
- 8 Management interview, 2001

4 Exploring student demand

Castells (2001) distinguishes four basic functions of universities. Higher education may function for the generation and transmission of ideology, it may function as a mechanism for selection and socialisation of dominant élites, it may function to generate and apply new knowledge, and it may function to train a skilled labour force. These functions are emphasised differentially in different countries, in different historical periods and in specific institutions, which may fulfil potentially contradictory functions simultaneously. Castells argues that universities have to combine and make these functions compatible, to reconcile the social interests represented in policy.

The history of the growth of public universities traced in Chapter 2 illustrates this point well, where some institutions had the primary function of socialising dominant élites, while the origin of others lay in their primary function of training a skilled labour force. This distinction will be useful in trying to determine the function of private higher education institutions in South Africa, the ultimate aim of this chapter.

Analysis of the origins of institutions in Chapter 2, and of the core values articulated in their institutional identity in Chapter 3, revealed that despite individual variations of emphasis, a twofold divide may be discerned between those institutions responding to a demand for 'better' education than the public sector, and those responding to a demand for 'different' education. One caveat is that further exploration of response to a demand for 'more' education in the South African context is required. Chapter 4 will build on this emerging analysis, to develop an understanding of the differences in function that define two distinct private sub-sectors.

Under contemporary conditions, the prevailing wisdom is that while the state is responsible for ensuring sufficient and good quality opportunities for education and training on the supply side, individuals are responsible for ensuring their own employability. Thus, it is held, if individuals fail to acquire the necessary skills and credentials to compete in the labour market, their occupational choice and economic position will be negatively affected. The private higher education sector in South Africa displays strong evidence of being

shaped by and promoting this trajectory. The pathways to the establishment of private institutions are strongly shaped by forces of marketisation, privatisation and vocationalisation. Their identities stress employability, individual choice and greater responsiveness to the labour market. The conceptual categories commonly used to distinguish private and public sectors and to distinguish private sub-sectors, when appropriated in relation to contemporary global and national conditions in South Africa, foreground responsiveness and employability as central to both those cases responding to a demand for 'better' education and those responding to a demand for 'different' education.

Nevertheless, significant differences were evident in the ways in which the two sub-sectors proposed to be responsive, in the labour market and student sectors they target and attract. These will need to be examined in greater detail, in order to obtain a fully rounded understanding of their function. Chapter 4 will thus focus on student demand. First, it will describe the student target group and admission policy of the institutions themselves, to deepen understanding of the demand they claim to respond to in attracting students.¹ Second, it will profile the students who have indeed chosen to study at these private institutions,² and third, it will examine their motivations and perceptions of their choice.³

Target group and admission policy

There is a degree of convergence between all the private providers in the study, given their profit orientation, in the relatively privileged groups they target as students. In the majority of cases, only those who can afford the generally high fees can choose to study at a private institution. Nonetheless, there are significant differences in the target group, reflected in admission policies, that reinforce the argument that groups of institutions address divergent demands.

Targeting a (relatively) privileged constituency

The cases that address a demand for 'better' education primarily aim to attract those in privileged socio-economic positions, or those in newly privileged positions. Some target school leavers and others target senior and corporate managers. There was one case that explicitly targeted 'previously disadvantaged individuals', to use their term, particularly women. However, in offering

high-level MBA programmes, it is effectively targeting those professionals who are potentially upwardly mobile, newly in relatively privileged socio-economic positions.

The formal entrance requirements were thus comparable to those of public universities, namely, a matriculation exemption for undergraduate degrees, and a Bachelor's degree plus experience for the MBA. For example, one case had a stated formal admission policy of targeting high-performing students, in line with its self-promotion as a high-quality academic institution, 'better' than the public providers. The stated policy was that students who have a matriculation pass of 60 per cent on the higher grade were automatically accepted, while those who met the national basic entry requirement might be accepted on the basis of a subject specific interview that takes into account 'leadership qualities and dedication'.⁴ Some 94 per cent of the students surveyed at this case claimed to have matriculation exemption.

However, there was evidence at most cases of flexible entry criteria, both in formal policy, and particularly in practice, given the imperatives of their profit orientation. There was some variation between stated admission policy that stressed procedures and regulations, and the enacted policy. For example, one case had a formal policy of accreditation of prior formal and experiential learning on the basis of a screening process. The experience reported by some students suggested that these rules were somewhat flexibly applied, in the face of the market need to fill intake quotas. Moreover, only 62.5 per cent of MBA students surveyed at this institution claimed to have matriculation exemption, with a relatively high 25 per cent having Grade 12 without exemption, and 12.5 per cent having completed their schooling outside of the South African school system.

This suggests that some of these private providers may be admitting students who have not qualified for admission to postgraduate study at public higher education institutions. Likewise, some cases that originally aimed to respond to the demand of privileged students disaffected with public education have diversified their target markets, to accommodate potential students without matriculation exemption, but who can afford high fees. For example, one case has developed multiple entry and exit points for admission to their own accredited programmes. Where students are admitted on the basis of prior learning, they are given the opportunity to register for a bridging programme

or one at a lower level, with a conditional option to rejoin the mainstream. Slightly more than half (52 per cent) of the undergraduate and diplomate students surveyed at this case had a matriculation exemption, with 35 per cent having Grade 12 without exemption.

Nonetheless, there is little evidence that these private providers aim to broaden access to university-level education on any significant scale. They aim to attract a (relatively) privileged constituency, more likely to be able to meet the formal requirements for entry into public higher education, and thus to be making an active choice to attend a private institution.

Targeting a non-traditional constituency

The cases that propose to meet a demand for ‘different’ education are distinctive in a stated aim to attract those who have not traditionally entered higher education. Key target constituencies are those who have been unable to gain access to public higher education in the past, because of a range of racial, socio-economic and educational barriers. A number of examples will illustrate this claim. One case in the entertainment industry claims to have admission strategies to break through racial barriers to create a more representative student body, driven partly by a recognition that ‘the most important stories South Africans have to tell are likely to be told by black South Africans.’³ Another case targets historically disadvantaged school leavers who were not able to gain access to public higher education because they did not have the required entrance qualifications. Yet another case explicitly targeted ‘previously disadvantaged individuals’ promoted to supervisory and management positions in corporations.

To attract those who have not traditionally entered higher education, particularly those who are educationally disadvantaged, flexibility has been built in to the admission policy of many cases. For example, at one case, the formal admission requirement of two years’ post-matriculation education plus ten years’ experience is flexibly applied, with the option of entry to a lower-level course, recognition of prior learning, or provisional admission conditional on satisfactory performance. There may also be internal differentiation, with programmes at different levels attracting different kinds of students, from entry level to those in senior positions, to facilitate progression and articulation. One case had a system of recognition of prior learning through ‘formal or

informal and non-formal learning and work experience⁶, and recognised its own FET programmes for admission to its higher education programmes.

These cases aim to attract a non-traditional constituency of potential students more likely not to meet the formal entrance requirements for university-level study, but significantly, making a different kind of choice.

Using student profiles to analyse demand

Students, too, make a choice, based on whether what an institution is perceived to offer resonates with their needs and demands, particularly whether it will equip them with the necessary skills and qualifications to compete in the labour market. The profile of students who actually choose to study at a private institution may be very different from that targeted. Data from the student perspective thus needs to be evaluated, in order to substantiate the central claims made. While it is impossible to make decisive claims about the composition of the total enrolment of private higher education institutions⁷ based on case-studies of only 15, it is possible to demonstrate the composition of the cohort attracted to study at different forms of private provider, within and between the two private sub-sectors that are being distinguished.

What became apparent from an analysis of these student profiles⁸ is that a superficial reading of race and gender, of historical advantage and disadvantage, can obfuscate more than it illuminates. Indicators other than race and gender, such as age, socio-economic class, educational background and citizenship interact in complex ways, and need to be taken into account in the contemporary South African context.

A degree of convergence

The student profiles for the most part bear testament to the aspirations the private providers expressed in their vision and mission and admission policy. There is strong synergy between the stated institutional identity and target group, and the profile of students enrolled. However, in a number of cases, strategies to shift historical occupational patterns structured unequally along lines of gender and race are still in their infancy, leading to a gap between stated target groups, and actual numbers of students.

Table 4 provides a description of the typical students enrolled at each case in the study, based on predominant trends in their enrolment patterns. Tables A.1–A.4 in the Appendix provide some of the source data from the demographic items on the student survey, for additional detailed reference. It must be borne in mind that this survey data was triangulated with institutional figures as supplied to the Department of Education, to form the basis of the analysis. Table 4 distinguishes between those cases that respond to a demand for ‘better’ and for ‘different’ education, and can be referred to throughout the discussion in this chapter.

As with the target groups identified, there is a degree of convergence in the composition of the student body of all the cases in the study, related to their predominantly profit orientation and resultant high fees. The private providers rely for their survival on those who can afford to pay their fees.

Table 4 Student profiles, 2001

Demand for ‘better’	Demand for ‘different’
<p>TN1 White males in mid-30s in senior management positions</p>	<p>TVET1 White male majority, church members</p>
<p>TN2 Affluent young white school leavers, well-educated from well-educated families (82 per cent graduates of private schools)</p>	<p>TVET2 School leavers, large international body, recent shift to 61 per cent black student body (but majority from Botswana and non-church members)</p>
<p>TN3 Mature, practising managers, upwardly mobile women (30 per cent reported) and black people (50 per cent reported)</p>	<p>TVET3 Mature males, increasing shift in racial profile (56 per cent white reported), many first generation higher education</p>
<p>FC1 Affluent young school leavers, alongside a new upwardly mobile African élite (60 per cent reported in 2000) but only 58 per cent of African students surveyed were SA citizens, with 27 per cent from Botswana</p>	<p>TVET4 Higher education small proportion of total enrolment (4 per cent), predominantly African, 54 per cent women, school leavers, first generation in higher education</p>
<p>FC2 Shifting profile, more female students, increasing number of black students but at specific sites, some self-financed from SADC countries</p>	<p>TVET5 School leavers, slightly more male, shift to 27 per cent African but 25 per cent of African students had attended private schools</p>
	<p>TVET6 Feminised élite, 99 per cent white Afrikaans women from well-educated families, with very small well-educated African segment</p>



	<p>FC3 Employed, mature but also school leavers, 46 per cent African of South African students plus sizeable body of southern African students</p> <p>FC4 All African school leavers, disadvantaged background, 60 per cent women, from five provinces</p> <p>CC1 Mature and experienced employees in senior positions, 29 per cent women and 56 per cent African, but significant proportion from Botswana, one-third with first technical degrees but many first generation higher education</p> <p>CC2 Small, new, majority black, male, many from Africa</p>
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The convergence is also related to the main functions of higher education itself (Castells 2001), and to the fact that higher education is a positional good (Jonathan 2002), that is, all students attending higher education institutions share the potential to be upwardly mobile and to enter relatively well-paying professional employment by virtue of their educational achievements, particularly under new global economic conditions. However, this opportunity is not available to all citizens equally. Indeed, the opportunity to enter higher education is related to prior socio-economic – and educational – advantage.

Historically, participation in higher education in South Africa has been racially skewed in favour of privilege, with a predominance of white students. Since the late 1980s, pressures for massification of higher education have seen the implementation of strategies to meet national equity goals, defined in terms of racial and gender equity. There has been a steady increase of black students in the public higher education sector. In 2001, African students constituted 59 per cent of the total headcount enrolments in public institutions. However, despite the strong demand for higher education, the participation rate of African students remains a low 12 per cent, compared with 47 per cent of white students (Asmal 2002: 14). Female students currently represent slightly more than half of the total national enrolment in public higher education. The presence of privileged students, and those who aspire to privilege, in all forms of private higher education institutions must be interpreted in this light.

Nonetheless, within this trend to convergence, there are distinct patterns of differentiation evident between private sub-sectors. Students at the trans-national and franchising college cases, those proposing to offer a ‘better’ education, are more likely to be historically or newly privileged, while students at the TVETs and corporate classrooms are more likely to be non-traditional. Some examples of each will suffice to illustrate the divergence, in all its complexity.

New forms of privilege

There is evidence of a group of private providers that target students who make a deliberate and informed choice to attend a private institution. The typical full-time undergraduate student at one trans-national case would be a white young school leaver, from a private school⁹ and from an extremely affluent family – an exemplar of a highly privileged private student profile. When asked why students had elected to study there, one student, in frustration at the tailored responses of other students, exclaimed:

Let’s face it! We are all from affluent families. We’re all from private schools. We’re the same kind of people and that makes us comfortable. We all know where we are going and we plan to get there. Fast!¹⁰

Academic staff who simultaneously taught in public institutions stressed the difference in privilege between the two groups of students, arguing that for those they teach at the private institution, ‘higher education is a right, not a privilege and the lecturers are there to help them fulfil this birthright’.¹¹

In contrast to this youthful profile, the typical student in formal certificated programmes at another trans-national case would be a part-time, white male in his mid-30s, in a senior management position in the financial services and banking sector, sponsored by his employer. At the third trans-national case, there is a similar profile,¹² but given their stated commitment to enrol ‘previously disadvantaged individuals’, the student body reflects a greater degree of racial and gender diversity, attracting those who are ambitious and upwardly mobile in their professional life, in newly privileged socio-economic positions.

One of the franchising college cases that caters primarily for young school leavers appeared to differ from this pattern, in the racial profile of student enrolments. In 2000, some 60 per cent of students were estimated to be

African, with some 33 per cent white and 7 per cent Indian. However, new forms of socio-economic privilege come into play here, reflected in management's claim that the shift 'has to do with emerging wealth among our black population. I expect a 95 per cent growth rate among black students by 2005'.¹³

Moreover, the high proportion of African students needs to be interpreted with care. Most students were drawn from the urban areas around Gauteng, but there are many students from SADC countries, especially Botswana, Angola and Swaziland, as well as Taiwan, Japan and other Asian countries. Analysis of survey data revealed that only 68 per cent of the students are South African citizens and that a relatively high 14 per cent of the total student body were citizens of Botswana. A cross-tabulation of race and citizenship revealed that just over half (58 per cent) of the African students were South African citizens, with a high 27 per cent being Botswanan citizens.

The case is one of a number that has been selected to enter into an official agreement with the Botswanan government to provide higher education to its citizens. The Botswanan government sponsors its citizens' fees and accommodation for study in South Africa, in the light of the limited capacity of their own national higher education system to absorb the demand for high-level skills. Effectively it is a means of extending wider access to higher education for Botswanan citizens, by using the public and private resources of another country.

This pattern highlights that equity concerns need to be widened beyond superficial counts of students' 'race', and beyond the equation of race with dis/advantage. Clearly here, the sizeable group of Botswanan citizens may not be categorised as historically disadvantaged candidates in the South African higher education context. They are highly privileged citizens, selected by their government to contribute to future development in their own country.

Further analysis of the educational background of the students at this provider revealed a relative degree of prior educational privilege. Analysis of the school system in which students in the survey sample had been educated revealed that 40 per cent had attended former Model C schools, a further 39 per cent had attended private schools, and only 3.5 per cent claimed to have attended former DET schools. Moreover, students tended to come from families with relatively high levels of education, with almost two-thirds of parents having post-school qualifications in the form of certificates, diplomas or degrees.¹⁴

Socio-economic class origin is difficult to ascertain, and the item on the student survey intended for this purpose was invalidated in too many cases to be used with confidence.¹⁵ Nevertheless, the intersection of race, socio-economic status and education is evident in an emergent trend of a newly privileged African student body, that has been educated in Model C or private schools, coming from families with relatively high levels of education.¹⁶ The pattern of attracting young people from southern Africa, both those supported by their own governments and those with private means to study, is a further small but significant trend.

The analysis of student profiles reveals that these students are more likely to be enrolled in private institutions proposing to offer a 'better' education. It is not only those who have been historically privileged, but also those who are relatively privileged in new socio-economic and political conditions, who tend to be more strongly attracted to the private providers promising to offer a 'better' education.

Non-traditional students

In contrast, analysis of the cases that aim to attract students making a 'different' kind of choice revealed a distinct set of trends and patterns.

The typical student at one TVET case is likely to be part-time, mature, in full-time employment in positions ranging from shopfloor to middle management, and to have progressed from foundation level to NQF Level 5 programmes. The racial profile of the student body suggested that there have been attempts to enskill Africans and coloureds¹⁷ but that positions of leadership at all levels in production, manufacturing and operations are still dominated by men. The majority of students had attended public schools and many are the first in their families to attend higher education,¹⁸ corresponding with the stated aim to cater for non-traditional students.

Likewise, at one of the corporate classroom cases the majority of students were part-time, mature, sponsored by employers, technically educated but new to managerial positions, and predominantly male.¹⁹ In line with limited attempts to meet the equity and human resource development requirements of corporations, just over half the students were white and just over a third African.²⁰ Here too, closer inspection revealed that a significant proportion of the African students were Botswanan citizens. While the majority of students

did not come from families with post-schooling qualifications, about a third themselves had first degrees, usually in a technical area.

At another case, the majority of students have progressed through its own FET programmes, but here a very different constituency is attracted to the institution. The majority of the higher education students are young African school leavers, with a relatively high enrolment of women, who had attended public schools and were the first in their families to enter higher education, with only a third of the students surveyed having a matriculation exemption. These students were not able to gain access to public higher education because of educational disadvantage, and clearly had far less choice than students at other cases in the study. For instance, students claimed that they enrolled at this private provider because it was too late to register at public institutions, or because the points system of some public providers acted to exclude them. It was evident that students would have preferred to have been registered at a public institution, both for 'recognition' and a perceived, better, cheaper and higher quality provision.²¹

This illustrates an element of demand absorption, of responding to a demand for access to higher education on the part of those experiencing educational barriers, directly related to historical disadvantage.

The element of demand absorption was most evident at one of the 'franchising college' cases that was re-categorised. In line with its stated aim to cater for 'the poorest of the poor', the enrolment pattern reflects that it attracts non-traditional students in the sense that they are not able to gain entry to public institutions because of financial constraints. Significantly, this case operates not-for-profit, and students pay nominal fees. Students are drawn from poor, often rural communities and, as part of the admission requirements, need to show that they are 'sponsored' by their community. All students were full-time, young African school-leavers, with approximately 60 per cent being female. The majority were the first in their families to enter higher education, but almost 70 per cent had matriculation exemption. The admission policy was quite clear that students should have matriculation exemption, and that 'bright and deserving' candidates should be particularly targeted, but the current enrolment patterns reveal that here too, students who do not have the educational requirements to enter the public universities are being catered for.

Students at the TVET cases with a religious orientation also tended to be young school-leavers in full-time study. In one case, students were predominantly white and male, from a relatively well-educated family background. The other case draws an international residential student body through its church networks. Significantly it, too, has attracted a sizeable group of Botswana government-sponsored students, which has meant a shift for the first time to a predominantly black and non-denominational student body.

One TVET case displays an apparent degree of divergence, but it must be borne in mind that it is one of the cases that offers professional degree programmes at NQF Level 6, for the film industry. The majority of students are young school leavers, slightly more than half male, and almost 70 per cent white. There is evidence of a small degree of success in attracting African students to the film industry, in line with the stated institutional vision to attract a student body that reflects the demography of South Africa. Almost a third of students surveyed had attended private schools and most were from families familiar with higher education. A quarter of the African students had attended private schools, and only 10 per cent had attended DET schools, suggesting a relatively privileged African segment that is preparing to enter new 'non-traditional' occupational fields.

The notion of 'non-traditional' students in these cases responding to a demand for 'different' education thus has a range of meanings, reflecting the complex intersection of race, class, gender and education. In some cases, 'non-traditional' relates to those students in employment, often predominantly male, and increasingly black, who have extensive experience, but do not have formal education qualifications. In other cases, 'non-traditional' relates to those black students, perhaps relatively well-educated and from relatively well-educated families, who have in the past not had access to specific occupations, particularly in new kinds of service industry, and for whom broader opportunities are now opening up. In yet other cases, the meaning of 'non-traditional' students in higher education is closely linked historically with vocational education and training, those students, black or white, often female, who are not academically inclined, who seek occupational credentials. Finally, 'non-traditional' relates to those students, often women, perhaps the first in their families to aspire to higher education, who have not been able to gain entry to public institutions because they lack the required entrance qualifications, but nevertheless, desire credentials that will enhance employability.

Students at the private providers meeting a demand for ‘different’ education are more likely to be ‘non-traditional’ in terms of access to higher education or to new occupational fields or to new (senior) levels within occupational fields.

Analysing student articulations of demand

Related to these profiles are distinct trends and patterns in the way in which students perceive their choice to study at particular forms of private provider. This section will first briefly describe how students identify and select private institutions and then focus on students’ perceptions of what informed their choice to study at a private institution.²²

Some general trends in relation to choice

How students come to know about private providers is a first significant issue. For the students surveyed, the most common source of information about the institution at which they are currently studying had been word of mouth, most frequently from ‘family or friend’ followed by ‘past students’. It is clear that the influence of parents, concerned to protect their child’s future prospects as well as their present learning environment, is of paramount importance in shaping the choice to study at cases that cater for school leavers. For those that cater to a mature target group, word of mouth from past students and employer suggestion were critical. Students were primarily informed through advertising and marketing at only very few providers.

A second general issue is whether private providers are the first choice for students, or whether some students are selecting private providers because they are not accepted into the public sector. In a few cases, students were very strongly sure that they had considered studying only at their present private institution. Significantly, these institutions had all developed direct links with the students’ current employer, who typically sponsored or supported the students. In contrast, those who responded most strongly that the institution was not their first choice were primarily students at those cases proposing to meet a demand for ‘better’ education, those most similar to public universities. There are concentrations of students who were not accepted to study at their first choice institution, significantly at some of the cases that have had difficulty in the registration and accreditation of some of their programmes.

A very small proportion claimed that they had left a public institution after failing courses, to go to a private institution. Table A.6 in the Appendix provides data from the student survey to support these claims.

It thus appears that students are first applying and then making a choice about where to study. Of the small number of students who considered studying elsewhere, the university as a high-status provider was aspired to most strongly, particularly by students at those cases meeting a demand for 'better' education, who were also considering private universities. Aspiration to attend public technikons was strongest for students at cases meeting a demand for 'different' education, who also tended to be more oriented to private colleges.

These trends underscore the complexity of the private–public higher education interface, and reinforce the emerging functional distinction between different forms of private provision.

Student perceptions of choice: 'getting you where you need to go'

Students who are historically and newly privileged are more strongly attracted to private providers that promise to offer them internationally recognised, quality programmes in a secure environment that will enhance employability. How do they articulate this choice, and what do they believe private providers will offer them?

Students at the trans-national cases displayed a high degree of convergence in understanding their choice. An internationally recognised qualification was typically venerated simply because it is international and not South African. It was seen to be more valuable than local accreditation, and to open up greater global opportunities for further study and future employment. A sense was gained from young school leavers preparing to enter the world of work that they are clear about what they want from the future, and are making sure they are equipped to get there. For those already in the workplace, in postgraduate programmes, the workplace relevance and 'real life' practice orientation was stressed more strongly. One student summed up the typical perception that the programmes 'add value to what I was experiencing, to take theory and translate it into something substantial'.²³ Flexible modes of learning that accommodate employment needs were stressed, to equip these students for greater career mobility. A privileged, exclusive educational environment, characterised by opportunities for individual attention and

personal safety, was seen by all as critical to enable focus and quality, and the achievement of their goals.

Closely related, but with a divergent emphasis, students at the franchising college cases stressed that preparation for the professional labour market in a secure environment was a priority, and better met in private providers that offer a small well-managed ‘campus’ in a safe location, small classes and individual attention. There was a perception that the qualifications were internationally recognised, which was believed to enhance the reputation of the institution.

Career mobility was emphasised, with students claiming that they are more employable as graduates of programmes that have direct exposure to industry and the labour market. As students at one college phrased it, these providers ‘prepare students for the world’ and ‘get you going where you need to go.’²⁴

The demand for ‘better’ education that these students articulate thus takes a specific form. At the heart of their choice lies an emphasis on education that will prepare them for future mobility, to ‘get you where you need to go’. The student demand that these private providers respond to is embodied in the promise of international mobility, closely linked to the opportunity for career mobility promoted in the workplace orientation and flexible modes of entry and provision, and to ensure upward socio-economic mobility.

In an era where a high-skill consensus predominates, where there are fewer jobs nationally and globally, where higher education has a significant new role, education and training become critical for the future of both school leavers and those in employment. The new global consensus assumes that workers will not be in a job for life, and may change jobs and careers a number of times, which requires ‘life-long learning’ and the possession of new skills and dispositions. To enhance employability, there is an emphasis on new, ‘cross-cutting’ skills that can be applied in multiple employment contexts. Employers require skills and dispositions that will enable workers to be creative, flexible and adaptable members of teams able to respond rapidly to changes. Skills of communication, collaboration and information technology are emphasised as key, to develop human capability and enhance individual employability.

There is evidence of a strong expectation on the part of employers in South Africa, that higher education graduates should be directly employable, that is,

ready to ‘hit the ground running’ (Kruss 2002a). Universities have traditionally prepared graduates to be indirectly employable, providing a general formative grounding on a broad disciplinary base, which employers built on to develop the requisite specialised skills, knowledge and dispositions to produce skilled employees. Employers in the private and public sectors in South Africa now require ‘real-time’ learning and graduates who are directly employable on leaving higher education, who will not need further extended periods of occupational specialisation or workplace training and initiation (Kruss 2002a).

These privileged students believe that the education offered by private providers can better ensure such direct employability, in a way that ensures future mobility. Higher education is important and desirable to ensure socio-economic mobility, to promote career mobility, and to offer the opportunity to expand beyond the national to open up global horizons. There is a degree of divergence between those private providers that emphasise international mobility, and those with a more modest scope, to offer mobility on a local scale, with the promise of international recognition hovering in the background.

Student perceptions of choice: ‘I am recognised by an institution’

Students who are ‘non-traditional’ are more strongly attracted to choose a private provider that offers them a ‘different’ kind of specialised, niche-driven credentialing, oriented to the workplace. They tend to perceive their choice very differently.

For them, their choice was motivated by a strong desire to ‘get the tickets’, to obtain recognised formal credentials, in order to increase opportunities for direct employability, whether in a formal organisation or in self-employment. One student succinctly summed up the strong demand for certification and recognised credentials when she expressed her reasons for choosing the provider:

Me, I had this talent when I was at school in the township, and after I completed matric, I tried to open an acting company and did a lot of shows, tried to be professional and stuff, but I couldn’t get recognition from institutions and production companies. So I decided to go to an institution where I could get some kind of

paper that would say *I am recognised by an institution and I am a professional*. So I can negotiate deals and charge what I want to and do business like any other business. (emphasis added)²⁵

The private provider was seen to offer specialised credentials to prepare for specific occupations that are not offered at other institutions. Formal, certificated preparation for the labour market, a career and practice orientation were all commonly stressed. As one student reflected:

I have chosen [this provider] because it offers me the opportunity to reflect on what I have been doing every day for many years, and I am therefore going to come back to proceed with a Diploma after finishing this Certificate course.²⁶

These students, who may have experienced barriers to higher education, to specific occupations or to senior levels in the past, believed that private providers could supply the formal credentials to ensure employability. Their concern was more fundamental than the students who expressed a desire for mobility, that is, to prepare themselves for the labour market. The combination of formal credentials and the practice orientation, of ‘learning real useful skills’, was seen as a route to acquire skills and ensure the future more effectively, to equip students for the workplace personally, socially and academically.

There is a degree of divergence between those private providers that emphasise specialised occupational credentials, and those with a more focused scope, to offer specialised corporate credentials. For students at the corporate classroom cases, those already in employment, the primary emphasis was on formal credentials to develop specialised job-oriented skills that will contribute to the corporation as well as the individual.

For students at providers with a religious orientation, the strongest motivation articulated related to ‘the Christian environment’, to the comfort of the company of other Christians and that spiritual needs are taken care of, but also balanced with a need to prepare themselves for the labour market.

For those cases with an element of addressing a demand for ‘more’ education, there was a slight variation that reflects the difference between the two emerging sub-sectors more clearly. Students at one TVET case clearly had less choice, and had made their choice based on more pragmatic reasons, that the

fees are affordable, and that the flexible modes of learning and time can accommodate family and personal needs. There was a sense in which, for them, the critical issue was to obtain any credential, to increase their chances of employment.

In contrast, students at the unique non-profit case felt that given their life circumstances, 'we did not choose, we were chosen', and expressed appreciation for the financial opportunity afforded them to study further, to obtain a formal qualification.²⁷ At the same time, they too articulated the understanding that they were being prepared directly for employability.

Functioning to promote mobility or credentialling

It is notable that very few of the 15 cases in the study had job placement programmes, nor do they conduct graduate tracer studies. The only evidence available is purely anecdotal, based on reports from most private providers that graduates were highly successful in finding employment and highly valued by employers. Nevertheless, the strength of students' belief that these private providers can prepare them effectively for employability is evident, whether it is the belief of privileged students that the private provider will better ensure mobility or the belief of non-traditional students that recognised credentials are critical to ensure future employment.

A strong argument has been built up through Chapters 2, 3 and 4. While there is a degree of convergence, and while it was not easy to categorise individual cases in a neat manner, there is nonetheless evident, a significant twofold functional divide between distinct forms of private institution. Layering and conceptually interrogating the empirical evidence relating to origins and history, the current stated institutional identity, the key thrust of demand and the student profile, motivation and interest, leads to the identification of two distinctly South African private higher education sub-sectors (Figure 1 in the Introduction presents this graphically).

The major lines of distinction are drawn by differing functions, embodied in the different demands to which institutions respond. On the one side is a group of private institutions most appropriately characterised as functioning to offer 'mobility'. These private institutions essentially respond to a demand for 'better' education than that which the public sector offers by promising to

prepare a privileged student segment directly for high level employability, on a local and global scale. In terms of Castells's general distinction of the functions of higher education, the primary function of these private higher education providers is to ensure the selection and socialisation of élites (2001). They may do other things as well in tandem with this, and they certainly do train a labour force, but the primary emphasis lies on ensuring future mobility, by ensuring that graduates are directly employable.

On the other side are those private providers most appropriately characterised as functioning to offer 'credentials'. This group of private institutions responds to a demand for 'different' education than the public sector provides, by preparing a non-traditional student segment directly for specialised niche market occupations. In Castells's terms, the function of these private higher education institutions is primarily to train a labour force. Clearly, they too may do other things, to different degrees, and there are variations between groups of providers. For example, the primary function of some of the religious providers is the transmission of a specific religious ideology, tempered with training a labour force. However, the primary emphasis of this sub-sector lies on offering recognised, specialised credentials that hold out the promise of direct employability.

There is, in addition, an element of a demand for 'more' education evident to different degrees in some providers. Bear in mind that in the Latin American and other developing country contexts, many providers are said to function to meet an excess demand for access to higher education. An attempt to use Castells's distinctions to understand the function that this demand for 'more' education relates to in the contemporary South African context leads to an apparent anomaly. The demand for 'more' education does not conceptually fit into any of the four higher education functions he distinguishes.

This apparent anomaly thus highlighted that the demand for 'more' education is of a different order. It is not related to the core functions of higher education. It is a directly political issue, related to political arguments about inclusion and exclusion in higher education, about advantage and disadvantage that may arise from the balance between its four functions. The demand for 'more' education, for greater access to higher education, is particularly pertinent in South Africa, given the political exclusion of the past, and the political inclusion of the policies of the new democratic government.

Thus, in the South African context, there are elements of a demand for ‘more’ evident in both of the two functionally defined private sub-sectors. This tends to be particularly evident in some of those that function to offer ‘credentials’, in the form of functioning to train a broader-based skilled labour force – on racial, gender, educational and socio-economic grounds. To a small degree, it is also evident at some of those that function to offer ‘mobility’, to widen the selection and socialisation of élites to ‘previously disadvantaged individuals’.

Further distinctions were discerned *within* these two private ‘sub-sectors’, between those cases that function to offer ‘international mobility’ and ‘local mobility’, and between those cases that function to offer ‘occupational specialised credentials’ and ‘corporate specialised credentials’. The following chapter will examine the data in relation to the dimensions of funding and governance, in order to determine whether it reinforces or undermines these distinctions.

The final chapter will then consider: If these are distinct private sub-sectors, how are we to engage with them?

Notes

- 1 An analysis of official prospectuses and admissions policy was supplemented by interviews with management for this purpose.
- 2 A profile was compiled from a number of sources – institutional submissions to the Department of Education, institutional data provided during interviews and the survey of students.
- 3 Student motivation and perceptions were analysed from the survey of students and complemented by the focus-group interviews of students at each case.
- 4 Institutional prospectus, 2001.
- 5 Management interview, 2001.
- 6 Institutional prospectus, 2001.
- 7 See Subotzky (2003) for an overview of total enrolment figures drawn from a Department of Education database of registered private providers as of December 2001.
- 8 Analysis was based on figures provided by the institutions themselves, in most cases, based on their annual submissions to the Department of Education, as well as the results of a survey of students at each institution, which was conducted as part of the

case-studies in 2001. Unfortunately, the institutional figures were not fully comparable. The majority of figures are for the 2001 academic year, but some are for the 2000 academic year. A few institutions did not make full registration figures available, or were not willing or able to provide a gender and racial breakdown. These figures were triangulated with the demographic details of the sample of students surveyed at each institution, to draw out trends.

- 9 A high 82 per cent of students surveyed at this institution reported that they had completed their schooling at a private school.
- 10 Student focus-group interview, 2001.
- 11 Academic staff focus-group interview, 2001.
- 12 The trend in racial profile is supported by analysis of aggregate data for 86 registered private higher education institutions in December 2001, which found that transnational institutions offering their own certification had a racial profile that favoured white enrolment, some 54 per cent, with 24 per cent African students, 9 per cent Indian and 4 per cent coloured (Subotzky 2003).
- 13 Management interview, 2001.
- 14 53 per cent of fathers had a degree, and 15 per cent had a certificate or diploma, while 28 per cent of the mothers had a degree and 38 per cent had a certificate or diploma.
- 15 A scale of income groups was taken from the national census. Many students refused to complete this item, on the grounds that income is a private matter, or they expressed ignorance of the family income, or they completed it based on their own income in relation to part-time student employment.
- 16 A similar pattern of an internally differentiated, newly and historically privileged student body was found at the other franchising college case in the study, where different campuses cater for distinct student constituencies, to respond to the shifting nature of demand.
- 17 Institutional figures were not available but 56 per cent of students surveyed were white, with 31 per cent African, 10 per cent coloured and 3 per cent Indian.
- 18 78 per cent of parents had matriculation or lower as their highest educational level, and only 11 per cent had degrees.
- 19 In 2001, 71 per cent of those enrolled in the higher education programmes were male and 29 per cent female.
- 20 In 2001, 56 per cent of students were white, 35 per cent were African, 5 per cent were Indian and 4 per cent coloured.

- 21 Student focus-group interview, 2001.
- 22 This section relies on an analysis of items on the student survey that explored why students had chosen to study at a specific institution. Students were asked to rate a set of 16 reasons commonly cited in the international and South African literature, on a scale of 1 to 5, where 1 was very little influence, and 5 was strong influence. Means and standard deviations were calculated in order to compare the relative ranking and strength of the reasons cited. What stands out is that students at some institutions are much more emphatic on the factors that influenced them to study at a private institution, rating a significant proportion of the factors 4 or above, on average. Here students appear to have made an active individual choice for study at a private institution for clear reasons. At other institutions, students were more equivocal, suggesting that they had less active choice. This data is presented in Table A.5 in the Appendix. The trends emerging from the survey were triangulated with an analysis of focus-group interview data that attempted to identify why students value higher education, and why they had selected their specific institution, aiming to identify the motivations students spontaneously articulated for choosing to study at a private institution.
- 23 Student focus-group interview, 2001.
- 24 Student focus-group interview, 2001.
- 25 Student focus-group interview, 2001.
- 26 Student focus-group interview, 2001.
- 27 Management claimed that in 2000, some 10 000 potential learners had applied for 1 000 places, in response to word-of-mouth advertising.

5 Engaging with the dimensions of finance and governance

It has been stressed continually that one of the most distinctive features of the private higher education sector in South Africa, relative to other countries, is its predominantly 'for-profit' nature. Levy (2002: 29) argues that South Africa is not a special case, but represents a 'stark manifestation' of a contemporary international tendency towards 'commercialism' in private higher education. Analysis along the dimension of function highlighted that there is a strong degree of convergence emerging from the profit orientation of the majority of private providers in the study. Their primary aim is to create a viable business (not explicitly reflected in their stated mission and vision), albeit an education business (strongly articulated in their vision and mission).¹ The profit orientation is thus paramount in understanding the growth of the private higher education sector as a whole, as well as in distinguishing forms of private sub-sector.

This chapter will analyse first the funding and ownership patterns of the 15 cases, and second, the collaboration and partnership patterns, to determine the ways in which comparison along the dimensions of finance and governance adds to the emerging functional differentiation of private sub-sectors.

Orientation, ownership and sources of funding

Orientation and ownership

A central requirement for state registration and accreditation is that a private provider should be legally constituted as a company. The Department of Education is concerned to ensure the financial sustainability of private providers in order to protect students' interests. Such ownership may take a range of forms, from individually owned, proprietary limited, private companies, to large holding companies listed on the Stock Exchange, to non-profit Section 21 companies. An examination of profit orientation and company ownership patterns (Table 5) reinforces the identification of a strong twofold cleavage between those institutions that function to ensure mobility, and those that function to ensure specialised credentials.

Table 5 Comparing ownership and profit orientation

Institution	Profit orientation	Ownership
International mobility		
TN2	For profit	Publicly listed company
TN1	For profit	Publicly listed company
TN3	For profit	Proprietary Limited; international holding company
Local mobility		
FC1	For profit	Publicly listed company
FC2	For profit	Publicly listed company
Occupational specialised credentials		
TVET3	For profit	Publicly listed company
TVET4	For profit	Proprietary Limited (formerly Close Corporation)
TVET1	Not for profit	Section 21
TVET2	Not for profit	Section 21
TVET6	For profit	Proprietary Limited (formerly Close Corporation)
TVET5	For profit	Proprietary Limited
FC3	Not for profit	Section 21
FC4	Not for profit	Section 21
Corporate specialised credentials		
CC1	For profit	Publicly listed company
CC2	For profit	Proprietary Limited

Table 5 reflects that four cases in the study operated not-for-profit, and are legally constituted as Section 21 companies. Two of these cases are religious, with close financial links to a parent church or denominational body, and there are likely to be a small but significant number of other such religious private providers. A third case is a professional association, and again, there may be a few more such private providers. The fourth case has been described as unique in its philanthropic orientation, in its stated aim to extend access to education for the historically disadvantaged. These cases have all been categorised within the specialised occupational credential private sub-sector, those that meet a demand for 'different' education.

None of the high-status private providers that function to ensure mobility operate not-for-profit. Table 5 shows that six of these cases are owned by publicly listed companies. Four of these cases function to offer mobility, both interna-

tional and local. The history described in Chapter 2 revealed that in the mid to late 1990s, private higher education institutions were seen as a significant sector for investment. A number of institutions established by education entrepreneurs were rapidly acquired by one of a growing number of publicly listed education holding companies, some of them in turn subsidiaries of larger concerns. Many of these companies initially reported exceptional growth and rates of profit. For instance, an article reflecting on the top 12 performers on the Johannesburg Stock Exchange for the first quarter of 2001 lists education business Educor (which includes education and training business Advtech) as 'leading the pack' with a massive share price improvement (Hogg 2001).

Table 6 compares the sources of funding and the level of fees of the cases. It is notable that the education holding companies typically absorb all profit generated from the education and training programmes of the private institution. Academic staff at one 'international mobility' case expressed a need for the holding company to invest in the education programme, to ensure that it remains attractive to potential students and to its trans-national partners. As one staff member claimed, 'they have to invest in the brand if they want to make it work for them'.² The general pattern is that holding companies have offered initial investment capital as loans, to be repaid from profit generated by tuition fees. Although in some cases, they offer financial support in the form of loans in a crisis, the trend is that the holding company absorbs any profits generated.

Closer inspection of the two cases owned by publicly listed companies that function to offer specialised credentials revealed a very different trend. They were established in earlier periods to meet the need of publicly listed companies for in-house training. It was only in the contemporary period that they were restructured into profit-oriented units offering education and training to external companies, in the context of the marketisation of education. For instance, only recently, as a result of an organisational review done in conjunction with an external assessment by an international management consulting firm, did the holding company decide to operate the corporate classroom case as a separate profit centre whose products and services would be available to any organisation outside the group. This private provider is moving towards its long-term goal of operating entirely on revenues generated through its operations, with 65 per cent of the revenue currently generated from courses provided within the group, and 35 per cent from courses to external clients. All

revenues generated are used to meet recurrent operating costs, and for investing in the development of courses and staff. Unlike the relationship of the other institutions owned by publicly listed companies, it is not expected to return a percentage of revenue to the holding company, at this stage.

Table 6 Comparing sources of funding and level of fees

Institution	Sources of funding	Level of fees 2001
International mobility		
TN2	Tuition fees; one-off investment by holding company to be refunded by profit from fees	R60 000 to complete undergraduate degree R59 000 to complete MBA
TN1	Tuition fees; no support from holding company which absorbs profits generated	MBA: R80 000 (full cost of international course fee = £12 000). High fees for short courses with group discount for companies
TN3	Tuition fees; investment and loan support from holding company	MBA: R34 950 per programme
Local mobility		
FC1	Tuition fees exclusively; holding company invests profit	Example: BSc IT year 1: R17 500–R19 000 Excludes accommodation
FC2	Tuition fees exclusively; profits distributed to shareholders	Basic fee plus charges depending on number of subjects and payment option selected UNISA: 12 modules p.a.= R20 000 (R5 000 to Unisa R15 000 to FC2)
Occupational specialised credentials		
TVET3	Tuition fees; parent company if necessary	Variable depending on relationship with employers of students
TVET4	Tuition fees almost exclusively; royalties from 2 franchise operations	R6 200 p.a. for 12 modules
TVET1	Church support but now required to be self sufficient; tuition fees 30–35 per cent of budget; donations from churches and individuals	Full-time degree: R8 500 p.a. E-mail studies: R700 per semester Correspondence: R800 per semester
TVET2	Church sponsorship; currently 75 per cent self-support from student fees; special appropriations from international church body; donations and bequests	Differential. Example: Degree – 16 credit hours per semester – plus residence: R29 524 (SA students) R34 420 (international students)



TVET6	Tuition fees; sale of student requirements (beauty kits, uniforms)	Average: R17 100 plus R7 000 residence fee
TVET5	Tuition fees; no income from student productions	Differential: R23 775 p.a. (SA students) R33 775 (international)
FC3	Education and professional services; training and development programmes; membership and accreditation fees	Postgraduate diploma: R23 000 (4 x week seminars plus costs, excluding accommodation) Tuition centres: R10 000–R15 000 p.a. Students pay registration and examination fees to FC3, and tuition fees separately to tuition centre
FC4	No sustainable source: company donations, 'recycling waste', student employment	R350 p.a. year 1 R100 p.a. year 2
Corporate specialised credentials		
CC1	Company sponsorship; moving towards sole reliance on revenue generated; HET courses generate 30 per cent of revenue	Example: Diploma in HRD: R4 000 per five day study school x four study schools to complete year-long course (excluding subsistence and VAT)
CC2	Grant from major corporate sponsor; supported by loan capital from a Section 21 trust; student fees	Fees negotiated with corporate or government agencies, or determined by partner institution.

A distinction can thus be drawn between providers acquired by publicly listed companies to pursue profit, and those initially established by publicly listed companies primarily to meet education and training needs. This distinction reinforces the analytical divide between those institutions functioning to ensure mobility and meet a demand for better education, and those functioning to ensure specialised credentials, to meet a demand for different education.

Many private providers previously operated as close corporations, but with the new regulations, they have now registered as proprietary limited companies. Five cases are individually owned proprietary limited companies, all except one, cases that function to offer specialised credentials. These private providers tend to operate on a smaller scale and often with greater financial risk. For instance, one case was founded by three friends, colleagues in their industry, who currently own 24 per cent of the company shares each, and act as executive directors. The remaining 28 per cent of the business is shared amongst four non-executive directors, also industry friends of the founders,

who contributed capital. Management defined the operation as ‘independent and self-funded’, and claimed that although they have declared a profit for the past two years, solvency remains an issue.

One case that functions to offer international mobility is owned by an international proprietary limited company, and differs significantly from this pattern, as it is effectively structured as a medium-sized holding company with subsidiaries in a number of countries.

Student fees as the major source of funding

The source of funding – whether from student fees, bequests, grants or investments – has proved to be a useful differentiating variable between private institutions in the American context, for example (Geiger 1986b). Table 6 suggests that this is not the case in the South African context. There is a high degree of convergence shaped by the strong profit-orientation. Almost all, 14 cases, reported that they rely primarily on student fees as their major source of funding – with the exception of the unique not-for-profit, philanthropic case.

This case has developed an innovative approach informed by a notion of ‘recycling waste’, where it takes human and material ‘waste’, and uses it to advantage. Partnerships with big business and corporate donations are the key source of funding. For instance, the owners of a property that was not being used in the Central Business District were persuaded to offer it as the tuition site at no cost; old computers and furniture donated by businesses are repaired for use or resale; unemployed graduates, pensioners and wealthy business people who want to make a social contribution are recruited to teach and manage the institution; and students contribute their time and labour for the day-to-day running of the institution. This pattern is highly unusual and there is no other such initiative at the present time.

The other three not-for-profit cases increasingly rely on student fees to survive, in a context of marketisation. In the past, the religious cases relied largely on the parent church, but they are under increasing pressure to become financially self-sufficient. They too rely on donations and bequests to supplement their income from tuition fees, but increasingly, to a limited extent. One case, for instance, is now 75 per cent self-supporting, relying on an appropriation

from the parent church body and donations for the remainder. The international church body remains a source of funds for capital expenditure and improvement projects. Bequests are invested and used to fund student bursaries. The professional association case has an important alternative source of income from membership fees and the accreditation of tuition centres, but tuition fees remain the key source of their funds.

Tuition fees at all the private institutions in the study – both profit oriented and not-for-profit oriented – thus tend to be high, as Table 6 reveals. Fees tend to be higher than the average annual costs of a degree at a public institution, in the high-status institutions that promise international and local mobility. The fees in those institutions offering specialised credentials are marginally lower, with some providers that target a previously disadvantaged constituency attempting to keep fees low, but others charging relatively high fees. However, the level of fees does not provide the entire picture. There are some cases with an expressed commitment to addressing historical imbalances, and to finding financial mechanisms to do so. One strategy has been personal subsidies and another is to seek financial support from the related industry, embassies or the state.

Patterns of finance and ownership

The international mobility and local mobility type institutions are thus more likely to be owned by a large publicly listed education holding company, strongly driven by a profit orientation to make returns to shareholders, relying on generating income from high student fees. The specialised occupational credential type institutions are more likely to be owned by a single proprietor, equally strongly driven by a profit orientation but to survive as a small business, relying on generating income from student fees. A minority of this type of institution operates not-for-profit, typically those driven by a more traditional concern for a different education, with a strong religious or philanthropic motivation. The specialised corporate credential type institutions are by definition owned by a corporation (or consortium of corporations), with a distinct historical relationship with the parent company that is not as strictly governed by a profit motive but increasingly under pressure to become a self-sufficient business unit, relying on generating income from high student fees.

Collaboration agreements and relationships with the higher education sector

Closely linked with ownership is a key feature of the dimension of governance, namely partnership and collaboration. This, too, reinforces the patterns revealed by distinguishing private sub-sectors along the dimension of function. Table 7 below describes a range of collaboration agreements, with local and international higher education partners, covering a range of aspects of the education process. The distinction drawn between distinct forms of private sub-sector that function to offer international or local mobility, or to offer specialised occupational credentials or specialised corporate credentials, is underscored. Comparison along the dimension of governance distinguishes *within* the broad twofold divide.

Table 7 Collaboration and partnerships with higher education

Functioning to enhance mobility	
TN2	Initial partnership with UK public institution Reconstituted as satellite of Australian private not-for-profit institution
TN1	Agreement with UK private partner, as agent to work on their behalf to offer qualifications
FC1	Accredited UNISA tuition provider External examination and quality assessment by local universities Partnerships with employers through internships and projects
FC2	Licensed UNISA tuition provider International Examining Institutes for FET programmes
Functioning to enhance specialised occupational credentials	
FC4	Business-oriented international universities for academic content Maharishi University of Management for holistic education approach Business support for material and human resources and employment of students
TVET3	Partnerships with ten sister companies in holding company Training partnership with major car manufacturer Collaboration with industry: mentorship programmes, applied project system, programme development and student funding
TVET4	UNISA accredited tuition centre Accredited testing centre for professional bodies for IT courses International Examining Institutes for FET programmes
TVET1	Church and Christian organisation links Formal agreement with HBU to offer university degree course, and qualification recognition agreements with other universities Possible merger with a sister college in Soweto



TVET2	Church Accrediting Association Changing form of partnership with former American affiliates
TVET6	Affiliated to international and national professional associations and certification bodies <i>Ad hoc</i> teaching and certification provided by departments of a local university Private institution provides IT skills
TVET5	Formal relationship with a production company Informal industry relations
FC3	International professional associations Accreditation and quality control of tuition centres – licensing relationship
Functioning to enhance corporate credentials	
CC1	Formal collaboration with a range of public and private institutions and international universities on curriculum development, course assessment and certification
CC2	Collaborative framework as backbone Public and private institutions and international technical institutes

Collaboration differentiates between the cases that function to ensure mobility

The strongest forms of collaboration are found in the cases that function to ensure international mobility. For instance, one case is constituted as a satellite of a small Australian private university, which exercises tight academic control over all aspects of the education process. Programmes are approved and quality is assured by the Australian university, curriculum development is done in Australia (but claimed to be localised to suit the South African context), learner and lecturer material is provided and 50 per cent of the teaching staff is from Australia. Examination papers are drawn up in South Africa but moderated for quality assurance purposes in Australia. Lecturing staff are also approved and accredited by the Australian institution, which awards the qualification. There was some evidence of strains in the relationship between the South African publicly listed holding company and the Australian university over the quality of education provision. For instance, the Australian university reportedly insisted that the holding company appoint a layer of academic managers, which was complied with after much debate and some contestation.

Another trans-national case is effectively a subsidiary of an individually owned international holding company. It has a complex set of financial and academic relations with the holding company, and with the sister companies.

A single academic programme is run in all the countries in which it operates, and senior tutors in the holding company assist with management, programme and materials development. Through the holding company, it is linked to international umbrella bodies, which feeds directly into the course material and mode of delivery. Assessment is locally controlled, with moderation by external institutions.

The third case has far less direct involvement in the academic project, effectively acting as a delivery agent working on behalf of its UK partner institution. The UK institution, which was founded in 1945, offers identical management development programmes in 32 countries with approximately 6 500 registered learners at any one time. The local contribution to the partnership is to recruit students and administer the degree, for instance, organising the venue and collecting fees. The UK partner provides all the intellectual capital, providing the faculty and course materials, assessing all assignments and conferring the degree. Both parties ultimately profit from this partnership, a typical case of an 'overseas validated course'. The role here is effectively that of an educational broker, rather than a tuition agent with an academic function.

These providers collaborate closely with international agencies, whether as satellite, as subsidiary or as broker, but typically, the international agency has strong control over the academic project. As management at one case summed up the typical motivation for such partnerships, 'knowledge is one of the most expensive commodities you can buy'.³ The trans-national agent offers its programmes, courses, staff and, in some cases, assessment expertise, in exchange for profit. The private provider uses the international academic programme to attract students and generate further profit.

The 'local mobility' cases differ from this pattern primarily in that they have entered into collaboration agreements with local public and private institutions. The dynamic of an agent offering its academic programmes and expertise in exchange for profit is similar, but the nature of the collaboration is quite specific. The providing agent – typically the public distance institutions, UNISA or Technikon SA, and/or a professional association – offers, assesses and certifies the programme. The 'franchise' agent only offers face-to-face tuition support, typically paying a licensing fee to the providing agent.

One case will suffice to illustrate this trend, a major agency provider with its origins in offering face-to-face tuition for UNISA programmes. The pro-

grammes, materials and examinations are all controlled by UNISA, and the private provider is responsible for tuition delivery at its own sites, with its own teaching staff. Students are required to register first with UNISA as a condition for registration, and pay fees separately to each entity. For the students, this represents a major financial commitment.

Unusually, it was reported that this provider charges UNISA a percentage for each UNISA module they offer. More typically, the private provider pays UNISA a fee. Management at one case explained that initially when they began to offer tuition for UNISA programmes, there had been no formal agreement, which created hostility on the part of UNISA. However, they had convinced UNISA that a licensing arrangement was in their interest, as UNISA still received fees, but tuition support improved their pass rates. The UNISA Collaboration Department currently monitors formal agreements, whereby the franchise agent provides tuition to students. UNISA typically receives 2.5 per cent of the normal cost of the student course fee as a royalty for accredited status.

There are a number of such private providers which offer tuition support for UNISA but also for other professional associations and vocational examining institutes, in fields such as marketing, secretarial studies and information technology. They tend to operate on multiple delivery sites spread across urban centres nationally, and some offer franchise opportunities for educational entrepreneurs to set up their own business. Key to their organisation is that their education processes are controlled by their relationship as delivery agents for local public distance institutions and local (private) professional associations.

Collaboration differentiates between the cases that function to offer specialised credentials

Collaboration and partnership are not central to defining the identity, rationale or key educational processes of the majority of the providers that offer specialised occupational credentials. Most of these providers have links with related professions and industries (or religious bodies) that support their educational work. Allied with this are partnerships with professional associations and international accrediting bodies that reinforce the status of their qualifications. Some providers have 'traditional' collaboration agreements with

public institutions. For instance, one religious case has an agreement with some public universities that recognise its qualifications for entry purposes. Others have such 'traditional' collaborations to validate programmes, and moderate assessment and certification processes.

The specialised credential sub-sector thus tends to collaborate with a related industry and in terms of 'traditional' academic exchanges. Such collaboration aims to support and enhance the quality and status of their educational provision, but it is not absolutely vital to their structure and operation.

There is one not-for-profit case that differs, organised as a licensing and provisioning agent, accrediting tuition centres to deliver their programmes, which are centrally examined and certificated. Its non-profit status means that its central concern is the professional development of the field at various levels of expertise and seniority, and that its emphasis consequently is on the quality of delivery. It has developed a rigorous system of accreditation of tuition centres that includes written submissions, site visits, observation by highly qualified assessors and a system of probationary accreditation subject to ongoing assessment. Examinations are centrally administered and monitored. Royalties of 5 per cent of the tuition centre's course fees are levied on each course, and fees are charged for accreditation. The professional association is only able to offer its programmes on the large scale it does by rigorously licensing tuition centres to deliver on its behalf.

In contrast to the predominant pattern of the occupational credential sub-sector, those institutions that offer corporate specialised credentials rely on their ability to access high-quality, high-status academic collaborations, but also to tailor these programmes to their specific corporate needs. They are able to access international academic, technological and industry corporate partnerships that are central to the success of their educational operation.

The unique specialised occupational credentials case that operates not-for-profit with a strong element of demand absorption, as indicated above, has distinct partnership relationships that are voluntary and mutually beneficial in the sense of promoting black economic empowerment. For instance, a major accounting firm, concerned to access a pool of black graduates that will assist it to meet its equity targets, runs the accounting department in return for the opportunity to select students whom they will employ on graduation. A major empowerment bank has sponsored students to train rural communi-

ties in financial management, at low cost to the bank and with the advantage of student funding, work and community experience. These partnerships all aim to add value both to the company involved and to the educational processes of the private provider. In this regard, there is a degree of convergence with the corporate credential type of provider.

Function, governance and funding

The three dimensions of governance, funding and function are thus closely intertwined, in working to distinguish South African private higher education sub-sectors. A private provider's function – evident in its origins, identity, target group and student profile – makes it attractive to particular kinds of investors, which leads to particular kinds of associated ownership patterns. In turn, the central function means that providers rely on particular kinds of associated partnership patterns to fulfil their educational mandate. Examining the dimensions of governance and finance thus reinforces the distinctions and the forms of private sub-sector that are defined primarily on the basis of the dimension of function.

The concluding chapter will explore how this understanding can inform engagement with the private higher education sector, that moves beyond dichotomisation of the private as negative, and the public as positive.

Notes

- 1 A significant question remains to be addressed – do the four institutions that are not driven by a profit orientation differ significantly in their educational processes and quality to those that are driven by the pursuit of profit?
- 2 Academic staff focus-group interview, 2001.
- 3 Management interview, 2001.

6 Engaging with private sub-sectors

The chapters in this book have attempted to develop a conceptually and empirically informed analysis of private higher education provision in contemporary South Africa, as a basis for identifying terms of engagement that will move beyond a dichotomised understanding of private as ‘bad’ and public as ‘good’, in a new global and national policy context.

In contrast to the trinary post-schooling system of the past, the National Plan for Higher Education (Department of Education 2001) does not support structural differentiation between different institutional types. Structural differentiation, it is held, potentially creates rigidity that could constrain responsiveness to social, economic and labour market needs, in a rapidly changing context. Hence, at its heart, the National Plan enshrines the principle of institutional diversity, which it aims to ensure through ‘mission and programme differentiation based on the type and range of qualifications offered’. Thus, an institution, whether public or private, will need to determine its own mix of fields of study and qualification levels, in response to its specific context and existing capacity, within the broad goals set by national higher education policy.

In such a framework, there is a recognised role for private institutions that contribute to the diversification of the higher education system. The White Paper (Department of Education 1997: 2.55) has proposed that this lies ‘in expanding access to higher education, in particular, in niche areas, through responding to labour market opportunities and student demand’. In this sense, the Ministry recognises that private provision ‘has a role to play in complementing public provision’ (Department of Education 2001: 64).

This chapter will set out the forms of private sub-sectors identified, in their full complexity, and consider the implications of understanding the private sector in this way, in relation to the shifting public higher education and training system, in the context of a new policy framework that is yet in the process of implementation, with the inevitable contestation that such a process provokes.

Different forms of private provision

There is undoubtedly a great deal of convergence in the focus, mode of operation, staff complement and student base of private institutions. It is evident that this convergence arises primarily from their for-profit market orientation, and from the demands for greater access to higher education in South Africa. In a new era of globalisation and commodification of higher education, these institutions are primarily businesses that have identified a market to supply higher education and training in response to a demand for graduates who are directly employable, equipped with the knowledge, skills and dispositions to contribute directly to the workplace and economic growth.

There is, nonetheless, evidence of strong divergence between different forms of private provision. A systematic empirical exploration of the function, governance and finance of these institutions has been undertaken, drawing on the concepts that have been used to analyse private sectors in other countries since the 1980s. It became evident that the contemporary South African case was distinct in terms of a very different economic, political and social context to many of these other comparative analyses. This made it important to appropriate concepts in a contextually informed manner, and significantly, in a manner informed by conceptual distinctions relating to new higher education challenges.

In the course of analysis, it became apparent that it is not easy to categorise institutions in a neat manner, reality being far messier than any conceptual framework. It is not feasible to identify neat categories, or ideal types, as was initially attempted, particularly given the degree of convergence between all private institutions. Hence, an approach was ultimately adopted that discerned broad forms of private provision in terms of the conceptual dimension that revealed greatest divergence, that of function, and at its heart, the notion of demand.

A significant twofold divide between distinct forms of private institution has been discerned to identify two main sub-sectors that reflect a high degree of convergence in their function, but with a degree of divergence in their demand, reinforced by their forms of ownership and partnership, which further distinguishes two distinct forms within each main sub-sector. These will be outlined here, to form a basis for the ensuing discussion.

Mobility, privilege and employability

There is a distinct form of private provider whose function is primarily defined in terms of selecting and socialising dominant ‘élites’, evident in terms of responding to and claiming to meet a demand for ‘better’ education than the public sector provides. In the contemporary South African context, the demand for ‘better’ education takes particular forms that are nascent in their origins. Their establishment is driven by an impulse of marketisation and internationalisation, of the pressures on trans-national and local public higher education institutions to expand student markets and sources of funding, articulating with the imperatives of South African entrepreneurial academics and newly emergent education holding companies, who identified supply-side gaps in the market. These institutions tend to be owned by large education holding companies, primarily South African, and operate with a strong profit orientation that imprints on all their activities.

These institutions primarily function to offer mobility to historically privileged and newly privileged socio-economic groups. They may extend access in a very limited way,¹ to those with educational barriers (lacking the matriculation exemption required for access to the public higher education sector) but with the financial means to study privately. They purport to respond to a demand for education that will be professionally and career oriented, and will directly prepare graduates to be employable to meet the demands of the workplace in ‘high-skill’ occupations, particularly business and management.

In their orientation and focus, these institutions primarily provide programmes from first degree level (NQF Level 6) and upwards, with many of them promoting the MBA as a flagship programme. Their focus tends to be in the fields of business and management (although not exclusively so), and on the BCom degree, as opposed to the broad spectrum of fields and programmes offered in public universities and technikons.

Within this strong convergence in origins and identity in this sub-sector, there is also evident a degree of divergence in the differential emphasis placed on specific educational goals to attract students, which shapes different institutional identities. One form of provider more strongly stresses the demand for education that will promote international mobility, that will provide students with internationally accredited and portable qualifications, in a way that pro-

motes privilege. There is a corresponding divergence in the forms of governance, in that these providers have strong partnerships with trans-national institutions, in varying forms, with international validation of programmes and qualifications.

The other form of provider more strongly stresses a demand for education that will be offered in a safe and secure environment, with individual personal attention, in a way that promotes privilege and career mobility. These providers have strong partnership links with South African public distance education institutions, with local validation of programmes.

Accordingly, it was suggested that the first form (effectively those institutions selected as ‘trans-national’ cases) may be characterised as institutions that respond to a demand for ‘international mobility’. Those cases selected as ‘franchising colleges’ may be characterised as institutions that respond to a demand for ‘local mobility’.²

Credentials, employability and specialisation

On the other side of the divide is a group of institutions that reflect a strongly divergent pattern.

There is strong convergence in their function primarily to train a skilled labour force, to offer education that is ‘different’ to – or differentiated from – that offered in the public sector. Some of these institutions have a long-standing, largely peripheral existence in South Africa, offering technical and vocational education in the form of private colleges and professional associations. The 1990s saw a rapid growth in response to an impulse of vocationalisation of higher education, with pressures for high-status specialised certification, often linked to new forms of employment or new growth in industries. Some of these institutions were driven by processes related to the corporatisation of higher education, in response to a demand for programmes and qualifications directly tailored to the specialised needs of corporations.

These institutions primarily function to meet a demand for recognised credentials that have high status, to ensure direct employability in a specialised niche market. They, too, offer education to those able to afford private fees, although the fees tend to be lower than those in the ‘mobility’ sub-sector. They

are primarily profit oriented but with a small number of not-for-profit providers (particularly religious providers), as well as a small number of providers that only recently shifted to operate for profit.

In their orientation and focus, the 'credential' private sub-sector primarily offers programmes at the intermediate level, at NQF Level 5, with qualifications in the form of certificates and diplomas, and to a small extent, at NQF Level 6, undergraduate degrees. Most offer career-focused programmes with a strong occupational and/or professional orientation, which is very different from what universities and even some technikons in South Africa have traditionally offered, and in doing so, they claim to be directly responsive to the demands of the workplace. They offer programmes in a range of fields, including a great deal of business and management, but extended to new service industries such as Travel and Tourism, Hospitality, Health and Beauty, Design, Performance, Media and Broadcasting.

To a limited extent, some of these providers display elements of responding to 'excess demand', to a demand for 'more' education and training, in fulfilling their primary function. The South African case suggests that the conceptual category of 'excess demand' relates to a political demand, rather than to the primary functions of higher education. That is, this private sub-sector functions to train a labour force, but in a way that attempts, to varying degrees, to broaden access to higher education – and life opportunities.

They target and attract 'non-traditional' students to equip them with the formal credentials to enter new occupational fields and levels – to those with educational barriers to entry (who lack matriculation exemption or who made subject choices that do not allow them to study further), to those mature students who experienced racialised barriers to enter higher education in the past, to those students who would not traditionally have entered particular occupations (given the job colour barriers of the past), and to those with financial barriers (in that some of these institutions have relatively lower fees). Institutions vary in the degree and extent to which they adopt such political goals in tandem with their profit orientation, and indeed, in the extent to which such goals are put to work in service of their profit motive.

A degree of divergence is also evident within this sub-sector. One form more strongly stresses the demand for specialised credentials to prepare for a niche market, particularly in new occupational fields such as Tourism, Visual Media

and IT. These institutions, effectively those selected as TVETs (with the addition of two cases selected incorrectly as franchising colleges), are characterised as a form of private provider responding to a demand for 'specialised occupational credentials'. They tend to be proprietary, single-owner companies without strong or significant partnerships. A second form more strongly stresses the demand for credentials to prepare for specialised corporate roles that will impact on individual and organisational performance, a form characterised as responding to a demand for 'specialised corporate credentials'. Obviously, they have strong partnerships with their own but also other corporations, as well as with national and international industry bodies.

A small but significant number of long-established, previously peripheral, newly registered religious colleges are included here, that meet a demand for 'different' education in the traditional sense, of providing for special religious and cultural needs. It is estimated that of some 113 private providers registered in October 2001, 17 were such colleges with a religious or theological focus. An alternate assessment of the scale of operation of religious colleges is that 10 per cent of the programmes submitted to the HEQC for re-evaluation in 2002 were in Theology (Council on Higher Education 2002: 3). It may be that these providers should be categorised as a form of private provider that responds to a demand for 'specialised religious credentials', but this is a task for future refinement.

A diversified response

The assumption of this book has been that in order to distinguish the private from the public sector in a way that moves beyond the strong tendency to dichotomise, we need a nuanced understanding of the private sector in South Africa, and a systematic way to distinguish private sub-sectors.

Much of the contestation and debate to date has treated private higher provision as a monolithic sector, as if all private providers are doing the 'same thing' and hence are comparable. Significantly, much of the debate in effect has treated the private sector as if everything it does is comparable with what the traditional public higher education sector (in particular, universities) does.

An understanding of the functions of private sub-sectors, of the different forms of private provision in South Africa, along the lines built up in this

book, suggests that this homogenisation is problematic. Different forms of education and training have been offered under the common rubric ‘private higher education’. Different private sub-sectors are not doing the same kind of things, nor responding to the same kinds of demands, nor fulfilling the same primary function. Nor are they all doing the same kinds of things as universities, or even technikons. As Schwartzman (2002) pertinently claims, borne out in this empirical study, private (and public) providers both perform useful functions and create problems. So, different private sub-sectors may create different kinds of problems, or may perform different kinds of useful functions. The matter is complicated by a shifting policy context, whereby universities and technikons are no longer doing the same kinds of things that they have traditionally done, but are increasingly involved in a complex mix of programmes characterised by disciplinarity, specialisation and vocationalisation (see for example Delanty 2001). In addition, they are no longer organised in the ways they have traditionally been, with evidence of the adoption of many ‘marketised’ or ‘market-like’ features (Clarke 1997; Mok 1997; Slaughter & Leslie 1997; Bargh, Scott & Smith 1996).

Engagement with the private sub-sectors in contemporary South Africa needs to be explored in terms of these complexities. These claims will be explored in this section, and their implications will be explored in the final section.

‘Mobility privates’ in comparison with the public sector

The ‘mobility’ private sub-sector was shown to function primarily to select and socialise élites, in response to a perceived demand to provide education that is ‘better’ than that offered by the public sector, in the sense of better preparing students to be directly employable, to better ensure ‘international mobility’ or ‘local mobility’ to a privileged socio-economic group.

This sub-sector, in general, is offering education that is comparable with what public universities – and some technikons – are traditionally doing. They are offering high-status, university-like, undergraduate and postgraduate degrees concentrated in the fields of business and management. Most providers offer a general, formative education qualification, like public universities, in their undergraduate programmes. Such an academic qualification prepares students for a wide range of careers, and has traditionally been geared towards producing graduates who are indirectly employable.

However, they all claim to be more responsive than the public sector in the professional orientation and career-focus of the programmes offered, certainly in their postgraduate programme, the MBA, but increasingly in undergraduate programmes too. In this sense, many programmes offered at ‘mobility’ private providers are more closely aligned with the ‘career-focused track’ recently proposed by the Department of Education (2002) to shape a new academic policy for higher education programmes and qualifications. Table 8 summarises the key differences between the general formative and the career-focused higher education tracks. The career-focused track is traditionally offered by technikons and also characterises the professional qualifications traditionally offered by universities, which would include the MBA. It entails an applied, practical and market-oriented focus, and prepares graduates to enter specific careers or professions, either directly for employment in specific fields, or to be directly employable in a range of careers.

Table 8 General and career-focused higher education tracks

General track (formative)	Articulation column	Career-focused track (career-oriented)
Academic	Horizontal and diagonal articulation to facilitate mobility and progression between qualifications in the two tracks	Vocational, career-based or professional definitions of learning
Discipline-based, theory-driven, sequentially developed, depth of knowledge and skill in at least one discipline		Applied, practical and market-oriented focus
Flexibility		Less flexibility
Prepare for wide range of careers – indirect employability		Prepare to enter specific careers, professions or areas of application
Traditionally offered by universities only		Traditionally offered by technikons and professional qualifications traditionally offered by universities

Source: Adapted from Department of Education 2002: 4.6.2

What is distinctive about some of the ‘mobility’ private institutions is that they attempt to integrate a career-focused track into their general formative programmes, in terms of a shift towards qualifications that produce graduates who are directly employable. A typical example here is a ‘local mobility’

provider that aims to provide undergraduate education that combines academic with practical components, to provide degrees that are relevant for industry, but at the same time, develop strong academic skills. This institution aims to produce graduates with professional skills, such as journalists or public relations officers. Such an approach is more aligned with technikons, where one rector pithily commented, 'we only offer programmes whose title has a job' (Kruss 2002a: 6).

In this sense, then, these providers may be seen to play a potentially complementary role, to have a 'useful' function, in providing a programme mix oriented to a career-focused track, to meet the needs of industry and student demand for mobility. Levy has suggested that such a trend has the potential advantage of relieving the pressure on the public universities to be directly responsive to the labour market (Badroodien 2002). Public universities could continue to focus primarily on the traditional general formative track. Nevertheless, it must be borne in mind constantly that this is what a private provider *claims* to do, how it appeals to students, and what students *believe* it can do, how students articulate their choice. The study could not evaluate whether institutions in fact succeed in meeting such demand and aspirations, a question that relates to the quality of provision.

The 'problems' of the 'mobility' private sub-sector lie in a strong potential to operate in direct competition with the public universities, and to a lesser extent, the technikons. The potential for competition is particularly evident in that private institutions are attracting a significant historically and newly privileged segment of the higher education cohort that is in a position to pay fees – and high fees at that. This is both in terms of first-time undergraduate school-leavers, and in terms of postgraduate business and professional mature students. In the context of a higher education policy framed by a discourse of the knowledge economy and global competitiveness, with related notions of employability and of life-long learning, this represents a potentially substantial student market.

The loss of such a student market can impact negatively on the public institutions. The potentially lucrative fields of business and management have traditionally been used by universities to 'cross-subsidise' more expensive fields of study such as Medicine and Science. Moreover, one key function of higher education, to generate and apply new knowledge, is totally neglected by

the private sector, placing a great responsibility on the public sector. If private providers are winning a greater share of the high fee-paying student market, then it could impact directly on the ability of public institutions to do what they 'do best'.

Moreover, the features and forms of such private provision have a potentially powerful effect on the nature of higher education, in a context of institutions experiencing strong market pressures. For example, the highly privileged students at the 'mobility' form of private providers are likely to act strongly in their own private interest, as is evident in their demand for personal attention that will virtually guarantee educational success. The imperatives of the recreation of students as paying 'clients' has potentially far-reaching educational effects. A related danger is of an instrumentalisation of higher education, where the focus is overtly on employability, on imparting skills and training in the career-track, directly related to the labour market. The traditional value enshrined in higher education, of producing well-rounded 'engaged citizens' to contribute to social development, related to the function of the generation and transmission of ideology, is potentially undermined.

There are only a small number of institutions in this private sub-sector relative to the total number of registered private providers (although many of these institutions have relatively large numbers of students across multiple sites of learning). Yet, these private providers are the most influential in the broad higher education sphere. The public higher education sector in South Africa has increasingly felt the imperatives of market pressures on its traditional operations, leading to intense challenges and tensions, to which there has been a range of institutional responses. In contrast, these private providers have strongly and unequivocally embraced the marketisation of higher education and are explicitly driven by its imperatives. They are largely owned by companies that have considerable financial investments and interests at stake, and consequently wield relative economic and political power. These constituencies are ever ready to invoke their constitutional rights, when their private interests are threatened.

The fact that some of the partners and indeed owners are foreign, or trans-national institutions, particularly in the 'international mobility' forms, increases the potential for competition. Chapter 2 has described attempts by the Department of Education to regulate the penetration of trans-national providers from Britain and Australia into South Africa in the 1990s. There are

currently strong interests lobbying globally for the unrestricted import and export of higher education under the auspices of the World Trade Organisation. There is a move to include trade in education services under the General Agreement on Trade in Services (GATS), and South Africa is increasingly under pressure to comply, from the US, Norway, Kenya and New Zealand (Naidoo 2003a). Altbach (2003) has warned of the likely unequal outcomes of such an agreement, pointing out that given the size and strength of the American higher education market, it is unlikely to become an export market for foreign providers. Conversely, legislating free trade through GATS would open up greater access for American educational providers themselves to foreign markets. Schoole (2003) has similarly argued that for the African continent, and South Africa specifically, opening up education markets to free trade by foreign providers could effectively mean unequal trade that could undermine national higher education transformation and development efforts.

The ‘mobility’ private sub-sector thus potentially creates significant ‘problems’ in South Africa. It potentially operates in competition with national higher education goals, more strongly than it is likely to promote complementarity, although clearly, competition is not a necessary outcome. This tension defines the terms of engagement with this sub-sector, which will be further explored in the last section of this chapter.

‘Credential privates’ in comparison with the public sector

Contestation, arising out of competition with a sub-sector of private providers, has often tended to be framed as if it is in relation to all private provision. However, the ‘credential’ sub-sector operates differently, and has a greater potential to be complementary to the public sector and contribute to national higher education goals, although it too raises specific potential problems.

The ‘credential’ sub-sector functions primarily to train a skilled labour force, in response to a demand for ‘different’ education that prepares graduates with specialised credentials to ensure access to occupational niche markets, and to a limited extent and to varying degrees, to a demand for ‘more’ education on the part of non-traditional students. The key difference lies in their emphasis on intermediate level, occupationally oriented qualifications, as opposed to a traditional academic orientation.

Universities in South Africa have traditionally focused on high-level occupational preparation, in the form of professions such as medicine, law, engineering, accountancy and education, included in the ‘career track’ depicted in Table 8 above. This has traditionally taken the form of general degree-level programmes that prepare indirectly for employment, complemented by professional associations after graduation, that ‘complete’ the process of professional preparation through processes of internship or ‘articles’ (Kruss 2002a). No private providers – in the mobility or credential sub-sector – offer qualifications or programmes of this nature.

The ‘credential’ private sub-sector differs substantially from the universities in that not many providers offer degree programmes at Level 6 or above. They are doing something that the universities have traditionally not done, in providing intermediate level, occupational and professional career-oriented programmes.

There is growing evidence that some universities are moving to offer courses at the intermediate level (Kraak 2002), driven by market pressures to expand student numbers, sometimes in partnership with private providers (Mabizela 2003). However, there is also evidence that a major field of focus for such intermediate level programmes at universities is Education – to contribute towards upgrading of teacher qualifications (Subotzky 2003).

The ‘credential’ private sub-sector is thus not directly in competition with universities in a substantial manner, in terms of its traditional core focus on general formative or career-track education. In fact, it is potentially complementary, to contribute to a differentiated landscape by offering different kinds of specialised education and training that universities do not offer. These forms of vocational, occupational and technical education and training have suffered from low prestige and lack of status relative to the academic stream in South Africa.

There is one caveat in relation to the ‘corporate credentials’ form of provider. Of all the credential sub-sector providers, they have the strongest potential to compete with the public universities, but this has to be interpreted in terms of the rapid state of flux in the higher education sector in South Africa. It has been noted repeatedly that trends that are strong at a certain point may be hardly evident a year later, with some providers rapidly changing form and function. At this stage, the corporate providers show greater affinity with the

‘occupational credential’ providers, in their function, orientation and programme levels, and they are most appropriately grouped together. However, if they shift significantly towards offering degree-level programmes, and aspire to become corporate ‘universities’ like their counterparts in the United States (Fehnel 2002), then there could be a significant shift in their function. They may then be more likely to move towards reproducing élites, towards meeting a demand for ‘better’ rather than ‘different’ education, and into a potentially competitive relationship with universities. The task would then be to decide, conceptually and empirically, whether they would more appropriately be included in the ‘mobility’ sub-sector. However, this is only one possible future scenario, and not a foregone conclusion.

It may be assumed that, in general, the ‘credential’ sub-sector is more comparable – and potentially in competition – with technikons, which have traditionally adopted a career-focused, practice approach to education and training. Technikons, too, primarily focus on programmes at NQF Level 5, in the form of certificates and diplomas. Thus, as Table 9 reveals, in 1999, some 44 per cent of technikon students nationally were enrolled at certificate level, and some 43 per cent at national diploma level, with a slight shift from certificates to diplomas by 2001. A relatively small proportion of students were enrolled for B, M and D level programmes.

Table 9 Technikon FTE enrolments by study level

	Certificates	Diplomas	NHD and B Level	M+D Level
1999 total FTEs	61 085	59 850	13 479	763
1999 percentage	45%	44%	10%	1%
2001 total FTEs	57 338	71 445	11 577	1 399
2001 percentage	40.4%	50.4%	8.2%	1%

Source: Compiled from CTP Technikon Statistics, 1999 and 2001.

Historically technikons have tended to focus on specialised occupations in the science and technology fields, specifically, in the ‘applied engineering; biological, chemical and physical sciences; and applied commercial sciences; humanities, arts and teacher education’ fields (<http://www.technikons.co.za/index2.html>). National technikon enrolment patterns reflect that a majority of students studied within fields in the Human rather than the Natural Sciences, at the majority

of technikons, in 1999 (CTP 2002). There are indications that this pattern is shifting to favour the Natural Sciences, in line with the goals of the National Plan for Higher Education (CTP 2003a).

There are few ‘credential’ private providers in the fields of Education, or Science and Technology, so the potential for competition with technikons does not lie in their traditional fields of focus – except for the ubiquitous field of Business and Management, and to a lesser extent, of Information Technology. There are many ‘credential’ providers in the fields of Religion/Theology, Beauty and Health, Design and Media, Performing Arts, Hospitality and Tourism. While these fields have not been traditional strengths of technikons, there is a trend towards introducing such service-industry oriented programmes at a minority of technikons, which increases the potential for competition (CTP 2003b).³ Indeed, a recent CTP document points to perceptions of a potential threat posed by private providers that ‘offer “custom made” courses which are identical to, or closely resemble, many technikon courses’ (CTP 2002: 2).

While there does not appear to be strong competition in preparation for the same occupational niches, there is a degree of overlap in the fields of business management and ICT, and to a lesser extent, in the specialised fields related to the service industry that a minority of technikons offer. There is thus some potential for competition at the intermediate level, between ‘credential’ private providers and technikons.

Further Education and Training colleges have traditionally offered programmes at Levels 4 and 5, although Level 5 is now considered to be in the Higher Education band, and beyond the ambit of FET colleges. Yet, a high proportion of their work continues to be at N4–N6, aligned with Level 5 on the NQF. Thus, at public FET colleges, 45 per cent of all learners are enrolled in N4–N6 post-school, NQF Level 5 equivalent courses (Kraak 2003: 13). Again, their fields of focus have historically been narrow, on Engineering, and increasingly on Business Studies. A national study in 1998 revealed that 86 per cent of enrolments are in these two fields, with 50 per cent in Business Studies, and 36 per cent in Engineering Studies (Powell & Hall 2000: 25). The majority of Business Studies enrolments, some 68 per cent, were at the N4–N6 level. Only 7.5 per cent of enrolments were in Utility Studies, programmes such as tourism, interior decorating, haircare and cosmetology, catering and hospitality, the areas of concentration of many ‘credential’ private providers. However,

the majority of enrolments in these fields, 61 per cent, were at FET, NQF Level 4 (Powell & Hall 2000: 29).

There is, therefore, potential for competition between the ‘credential’ private sub-sector and the public FET college sector, although at present, there is little competition in preparation for the same occupational niches at the higher education equivalent level, except for the lucrative Business and Management fields once again.

Thus, in functioning to prepare a skilled labour force, the credential private sub-sector is largely doing something that universities and some technikons – and even FET colleges – are not, and that is formal preparation for employability in a specific range of occupations, at the intermediate level. It may thus be argued that this sub-sector plays a potentially complementary role in contributing to skills development in South Africa.

Kraak (2003) has provided a useful basis for analysing the notion of complementarity in terms of the significance of intermediate skills. He proposes the need to rethink the skills crisis beyond the current emphasis of the ‘global consensus’ on high skills. Instead, Kraak argues that, in South Africa, the economy should be viewed as multi-layered, with three distinct economic – and differentiated skills – bands. This would imply a skills development strategy with three complementary components. The first would be a high-skills enclave, the second would be to meet the low to intermediate skills demands, and the third would cater to the low-skills informal sector.

Kraak stresses the growing significance of intermediate skilling to the success of the National Skills Development Strategy, presenting evidence from both the demand and supply sides to support his claims. The critical question he raises is whether there is sufficient skills provision at this level, in the education and training system as a whole, arguing that it needs greater prioritisation. This is echoed in the report of a recent review of the NQF, which drew attention to the:

total insufficiency of provision for diversified skills development in the FET band, both present and projected, and also at the interface between Further and Higher Education and Training.
(Department of Education and Department of Labour 2002: xi)

The NQF Task Team report stressed the centrality of addressing such a need, to the success of both the NQF and the national Human Resource Development Strategy, and called for support to be mobilised to address it.

Kraak has argued in an earlier work (Kraak 2002) that private and public providers offering intermediate skills operate at the interface of Further and Higher Education. There is evidence of a degree of convergence in the provision of FET and HET level programmes, at the Level 5 interface, by different kinds of institutions – universities, technikons, FET colleges and private providers – as evident from the discussion above. These are particularly in the fields of education and business management.

The differentiation and articulation of the FET and HET interface is a complex issue that cannot be engaged with here (see for example, Kraak 2002; Ensor 2003; Gamble 2003). However, questions have been raised whether some of the registered private higher education providers are in fact providing programmes that should be registered on the FET level, rather than as Level 5 higher education programmes. A review of programmes conducted by the Council on Higher Education suggested that 85 per cent of programmes examined would be better suited to the FET level, rather than the higher education level (Chala 2003). Recent statistics indeed show that there is a small percentage of enrolments below Level 5 at registered private higher education providers (Subotzky 2003).⁴ This is a key problem to be considered in relation to the potential complementary role of the ‘credential’ private sub-sector in the development of intermediate skills.

Nevertheless, in the contestation around private higher education, ‘credential’ providers have been criticised for not being more like universities, when that is not what they are about. They are oriented towards the critical intermediate skill level, within the higher education band – along with some technikons and some FET colleges.

It is evident that contestation also arises out of differing interpretations of NQF levels and bands, particularly at the interface of FET and HET. Part of the controversy – of the polarisation of the public and the private in South Africa – thus arises because of contestation around a legislative definition of higher education that includes all post-schooling qualifications, and that attempts to integrate education and training around a National Qualifications Framework. That the National Qualifications Framework is itself open to con-

testation and in a process of evolution and policy development as such anomalies emerge in practice, further adds to the complexities (Department of Education and Department of Labour 2002).

The ‘credential’ private sub-sector is more appropriately defined as a potentially complementary part of a post-secondary or tertiary sector, broadly defined. If, in practice, most people tend to think traditionally in terms of universities, and perhaps technikons, when they refer to ‘higher education’, rather than all post-school Level 5 and above education and training, then contestation ensues.

A focus on the function of specific forms of private provision thus allows a different view of the problems and possibilities of private higher education in South Africa. Part of the contestation around private provision is intertwined with broader contestation around the very nature and definition of higher education, and its relation to training and further education and training, in a shifting policy context in South Africa.

However, the potential complementary role of the ‘credential’ private sub-sector needs to be interpreted in the light of Kraak’s warning that:

The outputs of public sector providers operating at this level as well as private sector enterprise trainers appears to be insufficient to support current economic needs let alone any surge in economic activity in the future. This training gap represents a serious skills deficit. (2003: 17)

The problem becomes whether the ‘credential’ private providers are sufficiently attuned with economic and labour market demands, both in terms of the focus and scale of provision at the intermediate level, and whether the quality of provision is adequate to address their potential complementary role.

New terms of engagement

Understanding different private sub-sectors enables us to conceptualise the distinction between the private and the public in South African higher education, of potential complementarity and competition, in a more diversified, nuanced manner. In turn, this enables us to consider the distinct terms of engagement with different private sub-sectors anew.

Revisiting the 'public' and the 'private'

Jonathan (2002) has made important conceptual distinctions in relation to understanding the public and the private, which can usefully frame general consideration of the terms of engagement, prior to considering the specificity of each private sub-sector.

The first conceptual distinction centres on an understanding of the 'public good'. There have been strong calls to reassert the goal that higher education should operate in the public good in South Africa, in the face of creeping marketisation (Singh 2001). Jonathan argues that the very notion of the 'public good' has to be contextually defined. In the South African case, the substantive question becomes: 'How and to what extent can higher education advance the goals of social equity and economic development, consolidating an active, deracialised democracy?' (Jonathan 2002: 91).

However, with such a substantive social agenda of redress, she argues, questions of the 'public good' are particularly complex, given that, by definition, higher education is a positional social good, where it has both private benefits (that are, by definition, not available to all and hence reproduce social dis/advantage) and, at the same time, it acts in the public interest for the social good. As she succinctly phrases it:

Wherever the 'public good' is not seen to be satisfied by the maximizing of individual competition, then the challenge for public policy is, through the careful ordering of other social practices, to hold in check the power of the private interest to trump public gains. (2002: 93)

A second useful conceptual distinction Jonathan makes centres on a related distinction between systems of state and market regulation of higher education. Jonathan argues that in South Africa, with national policy committed to equity and economic development, the only possible path is for democratic steering, through state policy and regulation, of the tendency of market forces to promote private interests above those of the social good. Rather than a *laissez-faire* or an autocratic state control approach, she promotes the path of setting out appropriate conditions and reciprocal arrangements for private and public activity that avoid jeopardising wider social goals.

Jonathan argues, in essence, that just as state policy may promote the private benefits of public higher education, it should steer private higher education to operate within a framework that promotes the public goals South African society has committed to.

A similar approach has been proposed by Newman and Couturier (2002) who share a basic premise of this book, that marketisation and competition are forces in higher education globally that cannot be wished away or ignored, but that left uncontrolled, can be extremely dangerous. Resonant with Jonathan, they argue that ‘the key is finding policy solutions that help steer the market in ways that benefit society and serve the greater public good’ (2002: 1).

Newman and Couturier argue that it is impossible to regulate national higher education systems strictly, particularly given the spread of virtual education. However, allowing market forces to prevail will not meet the best interests of society as a whole. They thus pose the problem as being: How do we create a market for the public good? By this they do not imply the neo-liberal notion of trickle-down effects, of using the private interest for the public good. For example, some ‘international mobility’ providers in South Africa have argued that they contribute to the public good, because for every student that attends their private institution, the state is freed up to pay for another student in public provision. Newman and Couturier push the debate beyond this weak notion of the public good, asking: ‘How do we ensure that the welfare of society and its students is the ultimate goal underpinning policy decisions?’ The challenge that they pose is to identify policy innovations that help to shape market forces so that they become positive forces for change, rather than destructive of higher education’s roles in serving the public good, in the private interest.

The relationship between the public and the private sectors in South African higher education would thus be optimal if the state strives to channel the impact of private interests to ensure that they do not work against the social good, in a context of global marketisation imperatives. That is, policy and practice should enhance the potential for complementarity, for the useful function of private providers, and minimise the potential for competition, for the problems created by private provision, that work against democratic goals in South Africa.

Clearly, this book suggests that treating the private sector as monolithic, as all operating like universities, could be counter-productive to such a strategy. The

‘international’ and ‘local mobility’ private sub-sector is more likely to operate in competition with the public universities, and by inference, to operate more strongly in favour of the private benefit of its owners and students. However, this is not a necessary relationship, as there is a *potential* for complementarity in providing responsive, career-focused academic programmes that can contribute to high-skills development in South Africa. Therefore, there is a specific set of concerns in relation to policy and regulation of this private sub-sector to ensure private interest does not jeopardise wider social goals.

Similarly, the ‘specialised occupational credential’ and ‘specialised corporate credential’ private sub-sectors have greater *potential* to operate in a manner that is complementary with the public higher education sector, to provide the intermediate level skills that are critical to the social good. Again this is not a necessary relationship, as there is potential for undermining the public interests by providing poor quality programmes not sufficiently directed towards key skills and industries. Here again is a different set of concerns for policy and regulation to engage with this sector.

In South Africa, addressing the political demand for ‘more’ education, for ensuring that private higher education, too, is open to a wider range of citizens and will contribute to an active deracialised democracy, is critical to engaging with both sub-sectors.

Quality, regulation and co-ordination

At the heart of the state’s strategy to democratically steer private provision in line with national higher education goals lies a concern to ensure the quality of provision.

An important caveat must be raised here about issues of quality. Quality of education provision is notoriously difficult to study, particularly in terms of identifying appropriate indicators. The case-studies did attempt to gather data related to quality issues. For example, measures of the provision of education resources and infrastructure, such as classrooms, learning support, computer access, library facilities and so on were included in an observation inventory (see Chapter 1). Students’ perceptions of the quality of infrastructure, educational provision and institutional responsiveness were also assessed in the student survey (refer to Tables A.7 to A.9 in the Appendix). However, such

data was not sufficiently systematic, nor did it provide sufficient weight of objective evidence, to be included in a substantial discussion of the quality of private provision with confidence.

This book therefore does not make any specific claims about the quality of current private higher education provision. What the argument does demonstrate is what private providers claim to offer, and the demand they meet for students, which helps us to understand why they have emerged, grown and continue to attract students – which may be despite ‘bad’ quality of provision.

A recent study by the Higher Education Quality Committee (HEQC) of the CHE has raised critical questions about the quality of private provision, based on data drawn from a process of re-accreditation of some 58 (or 49.5 per cent) of the registered private providers. The report argues that there is a ‘qualification upward creep’ that distorts the value of higher education degrees. This is based largely on an evaluation by subject specialists during the re-accreditation exercise that most of the qualifications offered, some 84.5 per cent, should actually belong to Level 4 on the FET band, rather than to the higher education band. The concern is that:

Upward qualification creep undermines the relation between quality and transformation by increasing the access of students, often from disadvantaged backgrounds, to qualifications that cannot deliver what they promise in marketing campaigns. (CHE 2003b: 49)

The report also raised critical questions about the extent to which private providers are, *in practice*, responsive to the socio-economic development needs of the country, in terms of the fields of focus, and the quality of provision, particularly in terms of experiential learning and integration with workplace experience. These problems are exacerbated by the lack of well-qualified staff and the quality of management, all of which suggest the importance of capacity development within the system and for individual providers.

The HEQC report identifies potentially serious educational problems that require attention on the part of policy-makers and higher education providers. However, as this book demonstrates, a differential approach to dealing with these significant issues of quality is required, for each private sub-sector identified.

For the ‘mobility’ sub-sector, issues of quality are closely linked to the regulation of provision to ensure that private interests and that the potential for competition do *not* prevail to the detriment of the social good. These institutions are claiming to do ‘better’ than the public sector, and they are essentially offering equivalent degree-level programmes and courses. It is appropriate that the focus and quality of programmes should be judged alongside, and be expected to complement and match the focus and quality standards of the public sector providers, of the universities and technikons. It is also appropriate that there should be state regulation to ensure that there is not a proliferation of (lucrative) programmes, or that there is not a racial or gender imbalance in student profiles, to the detriment of the system as a whole.

A Council on Higher Education (2003a) project to evaluate and re-accredit all MBA programmes at public and registered private institutions, to ensure a common framework for quality, is a good example of such a regulatory strategy. It aims to identify ‘mediocre’ qualifications, and prevent them from operating, to protect the quality of South African MBA programmes on the global stage (Naidoo 2003b).

There are other cases that may require regulation, particularly in relation to partnerships between ‘local mobility’ providers, those taking the form of franchising colleges, and public institutions. For instance, Subotzky (2003) found that amongst registered private institutions in December 2001, 78 per cent of enrolments at Level 6 were in the field of Education. However, this trend was largely attributed to one public–private partnership, with a high enrolment of 17 735 students in a single Further Diploma programme certificated at an Afrikaans-medium public institution (45 per cent of the total of Level 6 enrolments). Here is a case of the confluence of the entrepreneurial interests of public institutions to expand their market share, with the interests of a private institution effectively appointed as tuition agents for public sector programmes. The quality demands of any educational programme offered on such a large scale of provision, and particularly in a field that is typically taught in small intensive experiential programmes, raise concerns about the value of the qualification for students.

The key terms of engagement for the ‘mobility’ private sub-sector thus centre on appropriate regulation, and quality assurance of provision. For example, we may question whether providers are offering programmes sufficiently in fields that are required for high-level skills development. Are the programmes

sufficiently differentiated in their mix and mission, to complement what the public sector is providing? Are the programmes contributing to develop the career-focused academic qualifications track? Is the quality of programmes and instruction appropriate for the specific degree level at which it is offered? Is the quality of the academic and professional skills developed comparable with that of equivalent programmes in public universities and technikons? How can the 'international mobility' sub-sector be regulated to operate in line with national priorities? How can the 'excesses' of partnerships between private 'local mobility' providers and public providers be regulated? What are the appropriate mechanisms that can be put in place to ensure that quality graduates are produced? How can 'mobility' private providers extend access to students in a way that will address the equity goals of a deracialising society, given their high fees and privileged student profile?

For the 'credential' sub-sector, issues of quality are more closely linked to co-ordination of provision, to ensure that the potential for complementarity, to contribute to intermediate level skills development in the public interest, does prevail. Private providers may tend to focus on a limited range of more lucrative fields, or may offer poor quality, narrow skilling programmes that do not prepare for employability. This is in the face of the gap in provision at the intermediate level in key fields, across the higher education and training and further education and training systems.

Here the questions typically would revolve around whether private providers are offering quality post-secondary, intermediate level programmes that adequately meet the human resource development needs of South Africa. For example, are the programmes offered sufficiently in areas of scarce intermediate skills? Do the programmes co-ordinate with what Further Education Colleges, technikons and even universities are offering at the intermediate level? Do the programmes co-ordinate with what Sectoral Education and Training Authorities (SETAs) are prioritising? Importantly, is the quality of the programme appropriate for the higher education level, or would it be more appropriately offered at the further education and training level? Does the 'specialised corporate credentials' sub-sector most appropriately meet the needs of large corporations at intermediate level, and are other mechanisms required to develop high-level skills? What are the mechanisms that can be put in place to encourage providers to meet the intermediate level skills needs? How can 'credential' private providers deepen the trend to extend access to

non-traditional students in a way that will address the equity goals of a deracialising society?

The list of questions may be generated further, but this selection is provided to illustrate the different forms of engagement that are required for the different private sub-sectors, if they are to operate in a way that is potentially complementary to the public sector, in a national context of higher education transformation in tension with a global trend towards marketisation.

Notes

- 1 This typically takes the form of bridging programmes and schemes for the recognition of prior learning.
- 2 Bearing in mind that two of the four cases ultimately did not 'fit' in this group.
- 3 There are 218 different programmes currently offered at technikons nationally. There are not large numbers of institutions offering programmes in the service industry fields that the credential private providers tend to focus on. However, assessing the full extent of the potential competition would require comparison of the scale of enrolments in each field between the two sectors, a task that was not possible in this study given the state of data available.
- 4 Subotzky analysed Department of Education data for 86 registered private institutions as at December 2001, and found 11 per cent of headcount enrolments to be below Level 5.

Appendix

Table A.1 Racial composition of students surveyed

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1
African/ black	22%	12.1%	14.9%	49.7%	31.8%	12.4%	61.1%	31.2%	58.9%	28.6%	4.3%	8.1%	97.8%	3.7%
Coloured	16%	1.1%	21.3%	4.0%	3.5%	2.8%	8.4%	10.4%	9.1%	1.9%	2.2%	6.5%	2.2%	3.7%
Indian/ Asian	12%	7.7%	12.8%	10.6%	14.2%	3.4%	10.7%	2.1%	29.2%	1.2%	0	4.5%	0	0
White	50%	79.1%	51.1%	35.7%	50.5%	81.4%	19.9%	56.2%	2.8%	68.4%	93.5%	80.9%	0	92.6%

Note: Table applies to all students. Student numbers at CC2 were too low to be included.

Table A.2 Citizenship of students surveyed

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1
South African	90.1%	80.1%	68.3%	68.3%	84.1%	88.6%	29.4%	89.6%	95.9%	92.3%	98.2%	81.7%	100%	85.2%
Lesotho/ Swaziland	5.9%	0	2.0%	2.0%	0	0	5.7%	2.1%	2.9%	1.2%	0	0	0	0
Namibian	0	0	0	0	0	0	1.7%	0	0	0.7%	1.8%	1.8%	0	0
Botswanan citizen	0	1.2%	14.2%	14.2%	0	0	42.2%	0	0	0	0	0.9%	0	3.7%
Zimbabwean	2.0%	0	0.7%	0.7%	2.6%	3.5%	0.7%	0	0	1.9%	0	1.7%	0	3.7%
Mozambican	0	0	2.0%	2.0%	0	0	0	0	0	0	0	0.4%	0	0
Citizen of other African country	0	0	4.1%	4.1%	3.5%	3.7%	7.7%	0	1.2%	0	0	0.7%	0	0
Citizen of European country	2.0%	17.4%	4.1%	4.1%	1.8%	3.5%	0.8%	4.2%	0	2.6%	0	11%	0	3.7%
Citizen of South American country	0	1.2%	0.7%	0.7%	0.9%	0	0	2.1%	0	0	0	0	0	0
Citizen of Asian country	0	0	2.0%	2.0%	5.3%	0.7%	9.4%	0	0	0	0	1.1%	0	0
Other	0	0	2.0%	2.0%	1.8%	0	2.4%	2.1%	0	1.2%	0	0.7%	0	3.7%

Note: Table applies to all students. Student numbers at CC2 were too low to be included.

Table A.3 Schooling of students surveyed

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1
Public – former model C	41.7%	13.3%	45.1%	40.5%	48.6%	72.3%	20.8%	46.8%	37.1%	56.3%	87.2%	59.2%	9.9%	68%
Public – former HOR	12.5%	1.1%	13.7%	4.2%	1.8%	1.4%	4.6%	2.1%	5.2%	2.3%	0	0	11.6%	0
Public – former HOD	16.7%	0	7.8%	6.3%	3.6%	4.8%	1.5%	8.5%	22.2%	3%	5.7%	1%	31.9%	12%
Public – former DET	10.4%	1.1%	13.7%	3.5%	1.8%	7.1%	1.5%	31.9%	25.5%	4.2%	0	5.5%	37.9%	4%
Private	8.3%	82.2%	9.8%	39.2%	38.6%	11.9%	22%	6.4%	8.7%	33.1%	6.6%	29%	8.7%	4%
Foreign/overseas	10.4%	2.2%	9.8%	6.3%	5.5%	2.5%	49.7%	4.3%	1.2%	1.2%	0.5%	5.3%	0	12%

Note: Table applies to all students. Student numbers at CC2 were too low to be included.

Table A.4 Highest level of education of parents of students surveyed

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1
Matric or lower	69.6%	32.5%	65.9%	32.3%	44.5%	51.8%	43.2%	78.1%	59.5%	27.0%	28.6%	42.6%	82.3%	83.7%
Certificate or diploma	19.8%	9.8%	21.2%	26.3%	22.2%	23.3%	26.1%	11.0%	23.8%	21.6%	40.9%	26.3%	14.9%	8.2%
Degree	10.4%	57.7%	12.9%	41.4%	33.3%	24.8%	30.7%	11.0%	16.7%	51.4%	30.5%	31.1%	2.8%	8.2%

Note: Table applies to all students. Student numbers at CC2 were too low to be included.

Table A.5 Influences on student choice of institution (on a scale of 1–5 where 1 is ‘not at all’ and 5 is ‘to a large extent’)

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1	
The reputation of the institution in general	Mean	3.8	4.0	3.0	3.4	3.5	4.1	3.4	4.0	2.1	4.3	3.7	3.7	3.3	4.2
	Std Deviation	1.0	0.8	1.3	1.3	1.1	1.0	1.3	1.0	1.4	1.0	1.1	1.1	1.5	1.0
Family and personal needs accommodated	Mean	3.0	3.6	3.9	3.0	3.4	3.5	3.0	3.9	2.8	2.5	3.1	3.0	3.6	3.7
	Std Deviation	1.3	1.2	1.3	1.4	1.4	1.2	1.6	1.2	1.6	1.4	1.2	1.4	1.4	1.4
The institution is safe and secure	Mean	2.4	4.2	2.7	3.8	3.8	3.5	4.2	4.1	2.5	3.4	3.6	3.7	4.5	3.6
	Std Deviation	1.1	1.0	1.2	1.1	1.1	1.4	1.2	0.9	1.4	1.6	1.0	1.2	1.1	1.4
Field of study not widely available elsewhere	Mean	2.2	2.6	1.7	2.7	2.2	3.9	2.6	3.2	2.3	4.2	2.9	2.7	3.1	2.8
	Std Deviation	0.9	1.6	1.0	1.5	1.4	1.2	1.6	1.4	1.7	1.2	1.4	1.5	1.6	1.2
High entry requirements at other institutions	Mean	2.5	1.9	2.3	2.5	2.7	1.7	2.2	2.4	2.6	1.8	2.3	2.2	3.4	1.9
	Std Deviation	1.2	1.2	1.3	1.3	1.4	1.1	1.3	1.4	1.8	1.3	1.2	1.3	1.6	0.9
Fees are affordable	Mean	2.5	2.3	3.3	2.4	2.4	3.0	2.5	3.4	2.8	1.9	2.3	2.5	4.6	2.5
	Std Deviation	1.2	1.3	1.4	1.3	1.3	1.2	1.5	1.3	1.7	1.1	1.1	1.2	1.0	1.2
Preparation offered for job-oriented technical skills	Mean	2.5	3.5	2.5	3.4	2.4	3.8	3.2	4.0	2.5	4.2	3.5	3.2	4.4	4.4
	Std Deviation	1.0	1.2	1.0	1.3	1.2	1.3	1.4	0.9	1.4	1.3	1.1	1.2	0.9	0.9
Employment needs accommodated while studying	Mean	3.6	3.3	3.6	3.1	2.9	3.0	2.7	4.3	2.3	2.8	2.9	3.3	4.0	4.6
	Std Deviation	1.2	1.3	1.2	1.4	1.5	1.2	1.5	1.0	1.6	1.4	1.2	1.3	1.2	0.6
Facilities and educational opportunities	Mean	2.1	4.2	2.1	3.3	3.1	3.8	3.5	3.7	2.3	4.4	3.4	3.6	4.1	4.1
	Std Deviation	0.9	0.9	0.9	1.1	1.3	0.9	1.2	1.0	1.3	0.9	1.1	1.1	1.1	1.1
Flexible modes of learning	Mean	2.3	4.1	2.3	3.5	3.3	3.3	3.4	3.7	2.6	3.7	3.2	3.2	4.1	3.9
	Std Deviation	1.1	0.9	1.1	1.1	1.3	1.3	1.2	1.0	1.4	1.3	1.0	1.1	1.1	1.3

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1	
Institution is efficient and well managed	Mean	2.1	3.7	2.1	3.4	3.5	4.2	3.2	4.1	2.2	3.4	3.1	4.0	3.9	4.2
	Std Deviation	0.9	1.1	0.9	1.1	1.2	0.9	1.2	0.9	1.4	1.2	1.1	1.2	1.3	1.1
Institution offers globally recognised qualifications	Mean	3.7	4.9	3.7	3.6	4.1	3.9	4.2	4.2	2.6	4.5	4.1	4.6	4.0	4.1
	Std Deviation	1.2	0.4	1.2	1.3	1.1	1.1	1.2	0.9	1.5	1.0	1.0	0.7	1.4	1.1
Preparation offered for job market	Mean	2.6	4.2	3.6	3.7	3.2	4.0	3.5	4.1	2.4	4.7	3.8	3.8	4.0	4.0
	Std Deviation	1.1	0.9	1.3	1.1	1.2	0.9	1.3	0.9	1.3	0.6	1.0	1.0	1.2	1.1
Reputation in specific field	Mean	3.2	3.9	2.9	3.4	3.3	4.5	3.5	4.1	2.2	4.5	3.9	4.1	3.6	4.3
	Std Deviation	1.2	1.0	1.3	1.2	1.2	0.9	1.2	1.0	1.5	0.8	1.1	1.1	1.4	1.1
Institution caters for students from similar background	Mean	1.9	3.7	2.3	2.8	3.2	3.0	2.7	3.9	2.3	2.7	3.2	2.9	4.0	3.2
	Std Deviation	0.8	1.3	1.2	1.2	1.2	1.2	1.5	1.1	1.4	1.4	1.1	1.3	1.4	1.3
Qualifications can be obtained in a short period of time	Mean	3.7	4.9	2.5	2.7	2.6	2.2	2.3	3.6	2.8	1.8	2.6	2.9	2.5	3.4
	Std Deviation	1.2	0.5	1.4	1.3	1.3	1.2	1.4	1.0	1.5	1.1	1.1	1.3	1.6	1.1

Table A.6 General trends in relation to student choice of a private institution

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1
Did you formally apply to a public institution?	Yes	53%	23.8%	65.3%	72%	7.5%	61.4%	14.3%	52.5%	53%	43.8%	53.1%	69.4%	75%
	No	25%	47%	34.7%	28%	92.5%	38.6%	85.7%	47.5%	47%	6.2%	46.9%	30.6%	25%
Were you accepted to study at a public institution?	Yes	75%	45.1%	52.3%	54.7%	16.9%	37.4%	25%	17.6%	48.4%	58.8%	54.1%	68.4%	75%
	No	25%	54.9%	47.7%	45.3%	83.1%	62.6%	75%	82.4%	51.6%	41.2%	45.9%	31.6%	25%
Did you begin your studies at a public institution?	Yes	25%	11.8%	10.3%	30.3%	9.2%	26.2%	50%	11.9%	13.1%	17.9%	22.9%	10.1%	25%
	No	75%	88.2%	3.3%	69.7%	90.8%	73.8%	59%	88.1%	86.9%	82.1%	77.1%	89.9%	75%
Did you leave a public institution after failing courses?	Yes	0	8.5%	21.4%	7.2%	22.6%	0	5.8%	2.5%	8.3%	4.7%	14.6%	3.5%	0
	No	100%	91.5%	78.6%	92.8%	100%	94.2%	100%	97.5%	91.7%	95.3%	85.4%	96.5%	100%

Note: Table applies only to students who considered studying at a public institution. Student numbers at CC2 were too low to be included.

Table A.7 Student ratings of quality of teaching (on a scale of 1–5 where 1 is ‘very bad’ and 5 is ‘very good’)

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1
Quality of teaching	Mean Std Deviation	3.6 0.7	4.3 0.7	3.6 1.0	3.9 0.9	3.5 1.1	4.4 0.8	3.4 1.0	4.3 0.7	2.5 1.4	4.2 0.8	4.3 0.7	4.1 1.0	4.5 0.6
Quality of practical or applied training	Mean Std Deviation	3.1 0.8	4.3 0.8	3.8 1.1	3.5 1.2	2.9 1.2	4.1 1.0	3.2 1.1	3.9 1.1	2.1 1.2	4.5 0.8	3.5 1.1	3.7 1.2	4.5 0.8
Method of instruction	Mean Std Deviation	3.4 0.7	4.0 0.7	3.7 1.1	3.6 0.9	3.3 1.0	4.2 0.9	3.3 1.0	4.1 0.8	2.5 1.3	3.9 0.8	4.0 0.8	3.6 1.2	4.4 0.6
Curriculum coverage	Mean Std Deviation	3.9 0.7	4.2 0.7	3.8 0.9	3.9 1.0	3.7 1.1	4.4 0.6	3.5 1.0	4.1 0.8	2.4 1.4	4.1 0.9	4.4 0.8	3.9 1.2	4.3 0.5
Personal attention in relation to class size	Mean Std Deviation	3.4 0.7	4.8 0.6	3.9 1.1	4.4 0.9	4.0 1.2	4.8 0.4	4.0 1.3	4.1 0.9	3.0 1.7	3.3 1.2	4.6 0.7	3.8 1.4	4.3 0.7
Composite mean- quality of teaching	Mean Std Deviation	3.5 0.6	4.3 0.6	3.8 0.9	3.9 0.8	3.5 0.8	4.4 0.6	3.5 0.8	4.1 0.7	2.6 1.2	4.0 0.7	4.2 0.6	3.8 0.9	4.4 0.5

Table A.8 Student assessment of programme’s preparation for working life, in terms of abilities (on a scale of 1–5 where 1 is ‘not well’ and 5 is ‘very well’)

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1	
Ability to work with numbers and figures	Mean	3.2	3.2	3.6	3.3	3.6	2.1	3.6	4.1	3.0	2.3	3.2	3.4	4.2	3.6
	Std Deviation	0.7	1.1	1.0	1.2	1.1	1.2	1.1	0.9	1.4	1.4	1.0	1.0	1.1	1.1
Ability to write well	Mean	2.7	4.1	4.2	3.7	3.3	4.3	4.0	3.9	3.1	4.5	3.3	4.0	4.4	4.2
	Std Deviation	0.7	0.8	1.0	1.1	1.2	0.7	0.9	1.0	1.5	0.9	1.1	0.8	0.9	0.8
Ability to be creative	Mean	3.1	4.2	4.1	4.0	3.2	4.2	3.9	4.2	3.1	4.9	3.6	3.8	4.6	4.5
	Std Deviation	0.7	0.8	0.9	1.1	1.1	0.8	1.0	0.8	1.5	0.4	0.9	1.0	0.7	0.6
Ability to communicate well with others	Mean	3.1	4.5	4.1	4.0	3.3	4.5	4.1	4.3	3.0	4.7	4.1	4.1	4.7	4.6
	Std Deviation	0.8	0.7	1.0	1.0	1.1	0.7	0.9	0.7	1.4	0.5	0.8	0.8	0.7	0.5
Ability to work as a member of a team	Mean	3.0	4.5	4.1	3.8	3.3	4.3	4.1	4.2	3.0	4.7	3.8	4.0	4.8	4.1
	Std Deviation	0.8	0.5	1.0	1.1	1.3	0.8	0.9	0.8	1.4	0.6	1.0	0.8	0.5	0.8
Ability to solve problems	Mean	3.5	4.2	4.1	3.7	3.5	4.2	4.0	4.3	2.7	4.7	3.7	4.0	4.4	4.3
	Std Deviation	0.6	0.8	1.0	1.0	1.1	0.9	1.0	0.9	1.5	0.6	0.9	0.8	0.9	0.7
Ability to manage information	Mean	3.3	4.3	4.2	3.8	3.6	4.1	3.8	4.4	2.7	4.3	3.7	4.0	4.4	4.5
	Std Deviation	0.8	0.7	0.9	1.0	1.1	0.8	1.1	0.8	1.3	0.8	0.9	0.8	0.8	0.6
Ability to be flexible in the workplace	Mean	3.4	4.3	4.0	3.9	3.5	4.2	3.9	4.3	2.6	4.4	3.9	3.9	4.4	4.2
	Std Deviation	0.8	0.7	0.9	1.0	1.1	0.8	1.2	0.7	1.4	0.9	0.9	0.9	0.9	0.8
Computer literacy	Mean	2.7	4.2	3.5	3.8	3.2	2.7	4.0	3.9	3.3	2.7	2.5	2.3	4.1	2.8
	Std Deviation	0.9	0.9	1.1	1.1	1.3	1.4	1.0	1.1	1.4	1.4	1.3	1.4	1.1	1.3
Professional competence	Mean	3.6	4.2	3.9	3.9	3.5	4.3	3.8	4.2	2.4	4.5	3.8	3.7	4.2	4.6
	Std Deviation	0.6	0.8	1.0	1.0	1.2	0.7	1.0	0.7	1.3	0.7	1.0	1.0	1.0	0.6
Composite mean	Mean	3.2	4.2	4.0	3.8	3.4	4.0	3.9	4.2	2.9	4.2	3.5	3.7	4.4	4.2
	Std Deviation	0.5	0.6	0.9	0.8	0.9	0.6	0.8	0.7	1.1	0.5	0.7	0.6	0.6	0.6

Table A.9 Student willingness to recommend their institution

	TN1	TN2	TN3	FC1	FC2	TVET1	TVET2	TVET3	TVET4	TVET5	TVET6	FC3	FC4	CC1
Yes	84.3%	100%	88.6%	78.3%	77.4%	96.5%	65.5%	100%	20.1%	96.2%	66.3%	85.7%	88.0%	92.6%
No	15.7%	0	11.4%	21.7%	22.6%	3.5%	34.5%	0	79.9%	3.8%	33.7%	14.3%	12.0%	7.4%
Group Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note: Table applies to all students. Student numbers at CC2 were too low to be included.

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