



COMPETITION BETWEEN PUBLIC AND PRIVATE UNIVERSITIES: INTERNATIONAL EXPERIENCES AND CASE OF MACEDONIA

Associate. Prof. Dr. Abdulla Azizi
Public Administration and Political Sciences Faculty,
SEE University
Tetovo, Macedonia
a.azizi@seeu.edu.mk

Associate. Prof. Dr. Zemri Elezi
Public Administration and Political Sciences Faculty
SEE University
Tetovo, Macedonia
E. Mail: z.elezi@seeu.edu.mk

MA Arben Mazreku
Malishevë, Republic of Kosovo
E. Mail: lluci007@hotmail.com

Abstract

In countries with a democratic system, which have liberalized higher education market, young people have always a dilemma in deciding whether to study in public or private university. This particularly occurs to new democratic states, where on the one hand public universities should be transformed according to new needs of the labor market and market-oriented knowledge; while on the other hand, private universities claim to be a step forward, however, do not have the proper experience. This paper aims to analyze some current issues related to the study, and urges to resolve some current problems in the future. This is due to people have divided opinions about how their children should study in public or private university, for many reasons such as: amount of payment, quality of teaching, stereotypes created by the individual cases and so on. In this paper through a survey and an analysis of statistical data, weaknesses and priorities to universities, will show the existing differences between public and private universities, in order to overcome the stereotypes that exist among the population; while also influences to universities to avoid the existing gaps in terms of improvement of quality in higher education in Macedonia.

Keywords: University, Macedonia, public, private, (dis)advantages.

INTRODUCTION

Western European countries with developed democracies have a long history of existence of private universities. They have established a high reputation among the public as elite universities that enroll only the most privileged, as a result of high quality teaching and stressing of graduates in the labor market.

The situation is completely different to private universities in the countries of Central, Eastern and Southeastern Europe. Private universities here struggle to survive in a competition with public universities, faced with many problems if the quality of teaching, acceptance of graduates in the labor market, unfair competition, and acceptance by the public.

In the framework of this paper will briefly reflect the situation of private higher education in some countries, particularly in Macedonia, as well as analyze the competitive challenges with public universities, while a special attention is devoted to the strengths and weaknesses of both.



Comparative Experiences

The private education has a diametrically opposite status in different countries. While in the countries of the Anglo-American tradition the private education is considered prestigious and of a higher quality than the public education, in the countries of the post-socialist East European bloc it is still viewed with suspicion and the doubts concerning the quality. The private higher education in these countries started to develop in the 1990s and the last few years have seen a boom especially in the post-socialist countries.

From the countries of Central and Eastern Europe, the biggest number of private institutions of higher education is to be found in Armenia, Poland, Czech Republic, Estonia, Romania and the Russian Federation, while the smallest number in Albania, Bosnia and Herzegovina and Slovakia.

It can be noted that there are qualitative differences among the European countries concerning the policies that regulate the higher education. They partly stem from the perceptions of the public about the quality of the private and public institutions of higher education, the balance between the private and public education, the preference of the former in certain aspects (practical work, business skills, flexibility to the market demands).

In Germany the private institutions of higher education cover the majority of their expenses from their own resources, but a number of them that have a status of non-profit organizations are at the same time supported by the state. The level of marketization of the sector of higher education is limited by their obligation to employ staff and use quarters provided by the public sector (for example, public officials with part-time contracts at the private universities).

The private higher education in Austria is rather new (from 1999). The opinion at the public universities is that the students are individuals who do not need guidance or monitoring by the professors, while the private universities are more oriented toward the Anglo-American culture of study, which is more sensitive to the needs of the student and involves responsibility for their progress. The policies for accreditation of a private university include strict criteria for staff recruitment, which apart from academic qualifications also demand research capacities.

In Italy, however, neither of the two oldest private higher education institutions, founded in 1901 and 1902 respectively, were church affiliated. The first Catholic university in Italy was established in 1921. Italy's private higher education sector grew slowly but steadily, and, unlike in most of the other countries in this study, was never really interrupted. By 1990, number existing institutions were established and continue to function today. The number of institutions of higher education has not changed in the last several decades. The law from 2000 provides the private institutions of higher education that meet the criteria of the public ones with an equal status as well as with public funds. Therefore, the private universities concerning the curricula and teaching staff are very similar to the public ones. The differences from the public institutions are: better organization of the teaching, better technical conditions, more options for international cooperation etc.

The common characteristic of private universities in Central and Eastern Europe is that none of them existed 20 years ago. The 'private revolution' in this part of the world started after the dissolution of the Soviet bloc and the fall of communism in 1989. Legislation passed in most Central and Eastern European countries in the early 1990s opened the way for private higher education, and the private sector experienced sudden growth across the region.

Within a short time the number of private institutions grew rapidly across the entire region. In Estonia, Poland and Romania the private sector encompassed in the end around a third of all students. In Slovakia the private education sector has not achieved real importance in the higher education system, with its share remaining 4% to 5% of the total education market. The most dynamic growth in student numbers in private colleges and universities has been reported in the Czech Republic. In 2010, 14% of all students attended these institutions. Today, some 30% of students across Central and Eastern Europe use private higher education. Compared with the state sector, private higher education institutions were generally viewed as more receptive to students, more responsive to market demands, more flexible in their course offerings, and often with more innovative instructional methods. In Poland the dynamic development of the sector was a result of political changes after 1989, as well as a response to huge new demand for higher education among young people. Now, however, the sector is endangered due to unfair treatment of private institutions by the state. Poland has one of the



highest shares of private sector higher education in the world: 32% of all students are enrolled in private institutions.

In Romania universities and colleges could be set up on the basis of Law 21/1924 concerning non-profit organizations and Law 31/1990 governing firms. The loose legislation permitted the founding of private higher education institutions. This situation, combined with the possibility that private universities attract students who do not gain admission to state institutions. Similarly, employers express their belief that public higher education is much more rigorous by comparison. The extent to which private higher education constitutes a new industry in Romania is obvious, while enrollments in private education amounted to about 30 percent of the total number of students in higher education. Gradually, private institutions began responding to demand in markets and set up regional branches, particularly in areas where there was little competition from public institutions.

The political changes in Bulgaria in 1989 brought favorable conditions for foundation of institutions of private education as a response for the rising demand for higher education. Since then the perception of the public has changed significantly for the better. Beginning with the perceptions that the private sector is inferior to the public, with weak regulation, accreditation and low quality, in time the Bulgarian society has become more open and gives more chances to the private institutions.

In Turkey, a form of for-profit higher education flourished from 1963 to 1972. According to reports by the National Council for Higher Education, for-profit private higher education was discontinued because it was too difficult for the government to maintain control. Taking a lesson from that initial trial, Turkish private higher education institutions have been permitted since 1981 only as non-profit or foundation organizations. Strict control mechanisms monitor the private higher education sector, which is considered to have only slightly more autonomy from State rules than the public sector.

But now, after two decades of successful existence, the sector faces new challenges. The uneven competition condition between state and private higher education systems definitely put the latter at a disadvantage, and is a serious problem for private institutions. The private higher education institutions in Central and Eastern Europe are fully aware of the challenges. First, they realize that in order to survive they must constantly raise the quality of research and teaching, and strive to obtain international accreditation. The private universities that have invested in quality buildings and have grown good staff will manage through this hard period. Private universities also know that they must rationalize costs, and that universities with too few students cannot survive. A process of consolidation has been underway for some time, although it is not very visible yet. Increasingly, non-state universities have been focusing on internationalization, hoping to compensate for the dropping numbers of local students with an inflow of international students.

Last but not least, the discussion keeps focusing on lack of honest competition between the state and private sector. And this does not mean unfair privilege; just equal access to public resources for teaching and research.

Scholarship Fees in Macedonia

The scholarship fees at the private universities in Macedonia are between 900 and 4000 €, depending on the university and certain faculties within the university. Usually, the scholarship for the technical faculties is higher. The tuition fee at the South East European University gets from 1300 to 1900 €. Students studying at other private universities pay from 1000 to 4000 €, annually, depending on the faculty/university and the study program. At the International Balkan University the tuition fee is 2000 €. The tuition fee for the students studying at public universities under the state quota is 150 € (per academic year) at St. Kliment Ohridski and the University in Stip; and 200 € at the University in Skopje and State University at Tetovo.

The tuition fees for the students who are studying on a co-financing basis vary, depending on the faculty / the university. Studying with co-financing is cheapest at the Faculty of Philosophy (250 €) and the most expensive at the Faculty of Medicine (1200 € at St. Kiril and Methodius and 1000 € at the State University of Tetovo); the Security Studies, Financial Control, the Faculty of Tourism in Ohrid and the Police Academy in Skopje (1000 €). The highest scholarships at the public universities are in the areas that are not covered by the private



universities (such as medicine, electro-technology, mechanical engineering etc.) and this keeps them high. Concerning the areas that are covered by both types of universities (for example, economics, law, informatics etc.) the scholarships are at least two times higher at the private institutions.

Apart from these 'official' expenses, a lot of faculties have a list of mandatory 'hidden' expenses (for example, student information services, student unions, sport and cultural activities, index, uniform etc.) that raise the total amount to 500 €.

Case Study

After finishing high school, XY was attracted to study financial management. He enrolled at a public university and spent the first year in the study without any major problems, but then in the second year of studies appeared a problem his test wasn't checked. Therefore he decided to transfer to the same study program at a private university where all the exams he had passed.

He thinks that there are several main aspects that differentiate the two universities. First of all, during his time at Public University they were using outdated literature and the majority of the professors did not even show up at the lectures. Contrary to that, at the private university he was using modern books, the lectures were regular and the grading consisted primarily of writing seminar papers (mandatory for every subject). Still, since the study groups at the private faculty are smaller, hence the opportunities to communicate and discuss with the teachers are bigger. Also, the teaching staff is available all the time and can be contacted on a daily basis personally, by telephone or email.

Still, XY thinks that there are not major differences between the two faculties concerning the quality of knowledge, what is required is reproduction of the material. Concerning the opinions that the level of knowledge that is offered at the private faculties is lower, he thinks that the knowledge depends on one's willingness to learn and sees no difference between the private and public universities. Of course there are lazy people who are not interested in education, but if you want to learn, you have your chance to do it. XY thinks that the money he paid for the study at the private university were worth it and adds that the extra expenses for visits of various seminars or workshops were not spent in vain and helped him enrich his knowledge and, of course, his professional resume. The only problem he faced was during the period when he was looking for a job when the employers were suspicious of the quality of his diploma.

SWOT ANALYSIS

Public Universities:

Strengths: Offer of studies that are not to be found at the private universities (especially from natural and technical sciences); Acceptable scholarships for the students in the state quota

Weaknesses: Insufficient flexibility of curricula; Still dominant authoritarian attitude of the teaching staff; Inadequate accessibility of the teaching and administrative staff; Focus on knowledge and not on Competencies; Inexistence or insufficient control of the student practice; Lack of data for the students' success in the labor market; Slow adaptability to the conditions in the labor market; Overburdening of the students; Insufficient cooperation between the teaching staff and the students; Suspicions of corruption; Dispersed studies -threat to the quality.

Private Universities:

- Strengths: Offer of interdisciplinary studies that are new and lacking in the market; Modern conditions for study Orientation to practical teaching (visits of institutions, helping the students find companies for practice); Accessibility of the teaching staff and collaboration with the students; Less bureaucracy; Solid implementation of ECTS; Flexibility and adaptability of the curricula; Sufficient resources for contemporary conditions for study (increase of library holdings, ICT equipment, foreign lecturers).

- Weaknesses: Curricula taken from other institutions, undeveloped or ill-adjusted; Narrow focus of the curricula (too specialistic); Doubts concerning the quality of education by the public; Relatively high



scholarships and additional expenses; Doubts by part of the labor market concerning the qualifications of the graduates; Suspicions of lower criteria for the students' knowledge; Lack of selection of the enrollment candidates; Sometimes are seen as private companies and not as educational institutions.

CONCLUSION AND RECOMMENDATIONS

For the Public Universities:

- it is necessary to pay more attention to the relations to the students (Availability during the consultation periods; Providing the emails of the professors and encouraging email communication; Establishment of a guidance principle and taking more responsibility for the students' progress)
- it is necessary to follow the needs of the local and global market continually and to react to them in a more flexible way (Strengthening of the contacts with the market, for example by introduction of experts as lecturers, providing and following the student practice, involvement of the experts in the creation of the curriculum etc.; Introducing more flexible mechanisms for changing the curricula)
- It is essential to conduct an appropriate training of the administration for work with the new systems
- A continuous evaluation that would include the students, the teaching staff and the administration

For the Private Universities:

The associations in the public about the private universities are that they place income ahead of education. Therefore these institutions are criticized for the quality of knowledge and competencies of their students. With the aim to overcome these suspicions it is necessary to:

- Undergo an external evaluation by an external independent institution to obtain and confirm the credibility as an educational institution
- Invest in international scientific research with the aim to strengthen the academic positions of the university
- Invest in professional development of the current teaching staff
- Improve the teaching staff (for example, with staff that has migrated abroad, experts etc.)
- Employ the staff on a permanent basis so that they identify with the institution and dedicate themselves to the students
- Plan the growth of the institution carefully, with maintenance of the quality.

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