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Private Provision, National Regulatory Systems and Quality Assurance: A Case Study of Transnational Providers in South Africa

Prem Naidoo*, Mala Singh** and Lis Lange***

Abstract

This paper looks into the emergence of transnational provision in South Africa in the context of the expansion of private higher education since the mid-1990s, and of the development of a national policy and regulatory framework that defines the role of higher education in the construction of a democratic society. The article analyses the characteristics of private and transnational provision of higher education and their impact in South Africa. It concludes with a reflection on the issues which developing countries may (need to) consider when constructing regulatory frameworks for transnational provision.

Résumé

Ce document examine l'émergence de l'offre d'enseignement à l'échelle transnationale en Afrique du Sud dans le contexte de l'expansion de l'enseignement supérieur privé depuis le milieu des années 1990, et de l'élaboration d'une politique nationale et d'un cadre réglementaire qui définit le rôle de l'enseignement supérieur dans la construction d'une société démocratique. L'article analyse les caractéristiques de la privatisation de l'enseignement supérieur à l'échelle transnationale et leur impact en Afrique du Sud. Il conclut par une réflexion sur les questions que les pays en développement peuvent (doivent) examiner en élaborant des cadres réglementaires pour l'offre d'enseignement à l'échelle transnationale.

* We regret to announce that Dr Prem Naidoo is deceased.

** Mala Singh, *Executive Director, Higher Education Quality Committee*, Council on Higher Education, South Africa.

*** Lis Lange, *Director of Monitoring and Evaluation*, Council on Higher Education, South Africa.

Introduction

In this article we look at the rise of transnational provision in South Africa as a special case of the expansion of private higher education in the context of the country's democratic transition. Based on the Higher Education Quality Committee's (HEQC) experience of programme accreditation and other studies on private providers we suggest, first, that, in contrast to some local private providers, in South Africa, transnational providers neither contribute significantly to expanding access to higher education nor are responsive to societal and developmental needs of the country, two of the goals of the post-1994 legislation on higher education. Second, we argue that the regulatory framework that governs the provision of private higher education in South Africa has to be understood against the broader context of a socio-political project to which all higher education institutions are expected to contribute. Although this article takes into account the influence that the inclusion of higher education among the services to be traded in the context of GATS has in the behaviour of transnational providers, we do not focus on this issue in detail.

This article first situates the rise of transnational provision within the expansion of private higher education in South Africa. It then explores the legislative and policy framework within which higher education institutions operate in South Africa, including the nature and scope of the quality assurance system developed by the HEQC. Third, it analyses the characteristics of private and transnational provision of higher education and their impact in South Africa and concludes with a reflection on the issues which developing countries need to consider when constructing regulatory frameworks for transnational provision.

Setting the Scene

Historical and Political Contexts

Kruss (2004) and Mabizela (2004) distinguish three stages in the history of private provision of higher education in South Africa. First, the colonial period, when private higher education responded to the demands of the colonial economy and contributed to the reproduction of the local colonial elites. During the 19th century local institutions of higher learning had strong links with churches and public higher education institutions in the colonial metropolis. Many of these institutions were at the origin of South Africa's oldest public universities.

The second stage takes place in the mid-20th century (1940s–1950s). At the height of apartheid, private higher education institutions were established by South Africans to offer vocational programmes to African, Indian and coloured South Africans largely through correspondence, whereas public universities catered mainly for the education of white South Africans. Private providers were

seen as being of inferior quality and were negligible in terms of enrolments compared to public higher education institutions.

The third stage began in the 1990s. It was characterized by a resurgence of private higher education specifically geared to profit making. This phase, particularly in relation to the expansion of foreign private providers, has to be seen in the context of globalization, trade liberalization and the introduction of education into WTO-led GATS. A new model of relationship between local and foreign private providers emerged: the franchising of qualifications from developed countries, particularly between UK institutions and local private providers.

At the time of the first democratic election, the South African higher education system, which in 1995 catered for approximately 500,000 students, consisted of 21 universities, 15 'technikons'¹ (offering mainly vocational programmes) and over 100 private providers which catered for approximately 30 000 students. The majority of these private providers offer undergraduate degrees at levels 4 and 5 of the National Qualifications Framework, and are, according to South African legislation, non-university higher education institutions².

The installation of a democratic government implied the development of a new policy and legislative framework for higher education linked to the initiatives of the new government to create a higher education landscape that was more appropriate to the social justice and economic development goals of an emerging democratic society. In 2000, as part of the national goal of creating a single coordinated higher education system, the Ministry of Education initiated a series of consultations on the appropriate size and shape of a restructured public higher education system. These consultations culminated in the decision to reduce the number of public higher education institutions from 36 to 21 through mergers and incorporations.

Currently the South African higher education system comprises 23 public institutions – 17 universities, of which four offer both university and technikon-type programmes, one technikon and five universities of technology (the new designation for the former technikons). In 2004 there were approximately 700,000 students enrolled at public higher education institutions and 30,000 students enrolled at private providers of higher education². These students were distributed among 99 private providers³ of which four were transnational providers with an enrolment of less than 2,000 student headcounts.

The rise of transnational higher education provision in South Africa and the development of a regulatory framework⁴ to govern its operations must be seen against the background of three factors:

- The social, political and economic opening up of South Africa after the first democratic elections in 1994, which gave internationalisation a new impetus and heightened the impact of globalisation on many key aspects of South African society and the economy.
- The restructuring of South African higher education, following the democratic transition in 1994, in order to produce a single system that is more co-ordinated, equitable and responsive to the needs of a post-apartheid South Africa.
- The rapid growth in South Africa of private provision, especially in the last decade, in a context where the large majority of private providers are local for-profit institutions.

In order to understand the relative weight of private provision, it is important to remember that the South African higher education system is a public system which operates with state funding and within a national regulatory system. The overwhelming majority of South African higher education students are enrolled in one of the 23 public universities. Private provision in South Africa, contrary to other countries in the African continent and Latin America, is largely for profit⁵.

The entry into the market of transnational providers and the nature and scope of their operations can best be understood in terms of intersecting imperatives relating, on the one hand, to South Africa's own post-1994 policy and legislative goals for the creation of a new democratic order and, on the other, to the search for new markets by entrepreneurial universities from countries like Australia and the United Kingdom. Such countries have signalled the important role that educational exports have in the growth of their economies. The discourse of the 'knowledge society' and that of the facilitation of greater access to higher education in a globalising world where borders have become much more permeable are also part of the rationale for the phenomenal expansion of higher education across borders.

Policy and Legislative Contexts

The legislative and policy framework that guided the reform and restructuring of higher education in South Africa has a clear place for private higher education and, by implication, for foreign higher education institutions. At a legislative level, the Constitution (1996: 13, Section 29 (3)) as well as the Higher Education Act of 1997 (amendments 2000 and 2001) acknowledge independent educational institutions. The Act requires that private higher education institutions be registered by the registrar of private higher education institutions (the Director-General of the Department of Education). The Act also provides for the ap-

plication of quality assurance requirements to private higher education institutions and their compliance with the legislation and regulation pertaining to the National Qualifications Framework (Higher Education Act as amended in 2001:51).

At the policy level from the National Commission on Higher Education (1995) to the National Plan on Higher Education (2001), it has been acknowledged that private provision has a role in widening access to higher education, especially in niche areas of the labour market. At the same time all higher education policy has pointed out the need to provide a framework able both to provide freedom for providers offering sound education and to prevent poor quality operators in the system. The National Plan on Higher Education (NPHE) provided a framework for the registration of private higher education institutions linked to three factors: financial viability, quality of offerings and the public interest (DoE 2001:64). The fundamental premise of the Ministry of Education in the NPHE is that it is necessary to regulate private provision within the context of the government's goals and objectives for the higher education system as a whole. The same premise is at work in relation to the presence and operations of foreign private higher education institutions (DoE 2001:65) and in relation to the partnerships between public and private institutions (DoE 2001:66).

In addition to the policy and implementation framework outlined above, which impacts on transnational providers, the Education Ministry in South Africa has also sought to address the issue of the General Agreement on Trade and Services (GATS) of the World Trade Organisation (WTO) and its possible impact on higher education, especially in terms of the commodification of higher education

The Higher Education Quality Committee (HEQC): Quality, restructuring and national goals

The Higher Education Act of 1997 created the Council on Higher Education (CHE), an independent statutory body that advises the Minister of Education on all aspects of higher education. The Act gave the CHE three broad responsibilities: advise the Minister of Education, contribute to the development of higher education, and the quality assurance of all higher education institutions operating in South Africa. This latter function was to be exercised by a permanent committee of the CHE, the HEQC. HEQC is responsible for auditing the quality assurance mechanisms of higher education institutions, accrediting programmes of higher education and promoting quality assurance. To these functions, the HEQC added capacity development.

In order to facilitate a co-ordinated approach between the quality assurance system and the other two steering instruments of funding and planning, the HEQC defined quality as fitness for purpose, value for money and transformation (HEQC

2001: 14). These three dimensions of quality are located within a 'fitness of purpose' framework based on national goals, priorities and targets. On the basis of these definitions and with due regard to the objectives of the other steering instruments, the HEQC developed a quality assurance framework and systems to give effect to its chosen goals and objectives. The HEQC's work is arranged within five sub-systems which include institutional audit, programme accreditation, national reviews, self-accreditation, and quality promotion and capacity development (Singh and Naidoo 2003).

Overall, the regulatory and quality assurance framework which emerged between 1995 and 2001 encourages greater planning within institutions, mission differentiation, increased outputs, target setting, cost efficiency and effectiveness and the planned use of earmarked funding for student equity and redress.

In relation to private and transnational providers⁶ the regulatory system implies that these providers have to:

- Operate as a trading company that is registered under the Companies Act of South Africa.
- Sign a declaration of non-discrimination in relation to students and staff with a commitment to advance the agenda of redress and equity.
- Be financially viable, with regular monitoring and reporting.
- Have all qualification standards assessed by the South African Qualifications Authority (SAQA) and registered on the NQF. SAQA is responsible for evaluating and recognising qualifications, whereas individual institutions have the right to recognise qualifications for entrance and further study purposes.
- Have the quality of programmes as well as of the institutions assured by the CHE/HEQC.

Over and above this, no institution is allowed to offer programmes within a franchise framework. In the specific case of foreign providers, they need quality assurance clearance from their country of origin, the qualifications they offer have to be recognised by the parent institution and the quality assurance system of the country in which they are operating. Students should be able to transfer from South Africa to the parent institution without losing credits. On application for registration, foreign institutions have to submit proof of the equivalence of qualifications, recognition and accreditation in their home country.

The Current Provision and Quality of Private Higher Education

Since 1997, there has been a growth in the number of private providers of higher education in South Africa. Yet currently the size of private provision in South Africa seems to have reached a plateau with 100 providers, according to the list

of the DoE. These providers offer mainly vocational education in the fields of IT, management studies, secretarial studies, public relations, marketing, communications, religion, beauty and skincare, and fashion design (Lange and Naidoo 2003). Institutions typically cater for a niche programme area, have an average of not more than 200 students, and are located in city centres and economic hubs of South Africa. They vary from operations which are run by one person to institutions run with 100 staff, and operate from venues that range from single rooms to large campuses.

Before the DoE required registration of private providers in order to offer higher education programmes, most private providers sought some form of accreditation through their association or partnership with international institutions. Between 1998 and 2000, the DoE received complaints about private providers who were not offering acceptable quality in their educational programmes. This was due mainly to lack of quality assurance of the franchiser and poor quality of the foreign institution whose programmes were offered. In response, new DoE regulations outlawed franchising. This decision forced foreign providers to establish a physical presence as transnational private providers in South Africa and to take responsibility for the quality of delivery of their own programmes. The termination of the franchising arrangements between the foreign and local private providers gave impetus to the establishment of local private providers in their own right and created greater awareness of the need to strengthen the quality of provision.

The current landscape of private higher education in South Africa has the following features (Subotzy 2003; CHE 2003):

- It caters for less than 5 percent of the total higher education enrolment in South Africa.
- 90 percent of the students (27,000 headcounts) are enrolled with South African-owned private institutions and the rest with four transnational providers.
- The major fields of study are Business Management: 36 percent, IT: 30 percent, Social and Cultural Studies: 20 percent, and Services and Applied Humanities: 14 percent.
- Approximately 90 percent of the students are enrolled for undergraduate certificates and diplomas.

The HEQC work, especially in relation to the accreditation of higher education programmes offered by private providers, generated fundamental information to evaluate the quality of the provision offered at these institutions. During 2003, in the context of an accreditation exercise, the HEQC evaluated the quality of 58 private institutions (out of a total of 117 private providers registered at the

time offering 217 higher education programmes). A report on the results of the process of accreditation (CHE 2003) indicated that:

- Notwithstanding the fact that some institutions were offering programmes in relevant niche areas with appropriate tuition, at most of the private providers, there was an uncertain correlation between programme offerings and labour market requirements. Many of the programmes offered were at level 4 of the NQF and a 'spoon-feeding' and rote learning approach was predominant.
- The quality of teaching and learning was uneven due to a lack of sufficient members of staff with adequate qualifications. Most academic staff were under-qualified, underpaid and were employed on short-term renewable contracts. These working conditions led to low morale, poor teaching, and no or poor research performance among academic staff.
- At providers offering vocational programmes, there were poor or insufficient arrangements for experiential learning due to the fact that most private providers had poor relations with industry and business.
- The infrastructure was insufficient to support teaching and learning. In most cases there were no libraries to speak of.
- There was an absence of internal mechanisms and structures to assure the quality of programme offerings. Although many private providers had some quality assurance arrangements, there was very little evidence of actual implementation and monitoring.
- There was a lack of knowledge and implementation of a series of national policies and regulations, especially in terms of human resource development and labour relations.

The CHE findings suggest that, contrary to the expectations of the White Paper on Higher Education (DoE 1997a:2.55), private providers are neither helping to broaden access nor are they responding to the needs of the South African economy for high-level skills. Although in some cases private providers offer different qualifications, most of them are lower end qualifications in management and business which were offered within the framework of vocational education provided by the ex-technikons. But what is most worrying is that the quality of provision has been poor and often inferior when compared to public higher education institutions. Based on this, it is difficult to agree that private providers of higher education are providing more, better and different education (Kruss 2004).

Transnational Provision of Higher Education in South Africa

As indicated earlier, in the late 1990s transnational providers recognised South Africa as a major growth area for higher education and entered into various

collaborative arrangements with local public and private institutions, or offered the programmes themselves. These arrangements took on a variety of modalities:

- *distance and electronic education* (where cross-border providers did not have a physical presence in South Africa and students were recruited through the internet – this modality is unregulated);
- *satellite campuses* (providers operate physically in South Africa and offer an imported curriculum – this modality is regulated through accreditation requirements);
- *recognition and accreditation agreements* (forms of partnership in which the local partner is accredited by the HEQC, and the degree is recognised by the foreign partner);
- *partnership programmes* (local public providers offer programmes in partnership but the programme belongs to the public provider);
- *professional institutes* (transnational institutions provide the curricula, set examinations and licence various local institutions to offer a programme).

In January 1999, the DoE initiated the process of registration of private higher education institutions, including foreign/transnational providers. In 2000, 14 transnational institutions (11 universities and three colleges) from the UK, USA, Australia and Netherlands applied for registration. The HEQC was not in operation at the time and SAQA conducted a paper-based evaluation of the proposed programmes. In 2001, the DoE registered four foreign institutions and SAQA granted accreditation to the programmes listed in Table 1 below. Thus, in the end, South Africa only recognised four transnational providers.

As transnational providers, these institutions are for profit and enter into different types of ownership arrangements considered lucrative by their shareholders. Three of these institutions are owned in partnership with South African businesses and their establishment was co-funded by South African capital. In one case, the institution is wholly funded by South African capital while the foreign institution provided academic capital and oversight. Two institutions have entered into partnerships with black economic empowerment companies. One institution entered South Africa with the purpose of launching itself into the southern African region, using South Africa's infrastructure as its base. It has actively recruited students from neighbouring countries and has started establishing offices in those countries.

Table 1: Transnational Providers and Accredited Offerings in South Africa in 2001

Institution	Country of Origin	Programmes Accredited by SAQA
De Montfort University	UK	Masters in Business Administration (MBA)
Business School of Netherlands	Netherlands	MBA
Bond University	Australia	Bachelor of Arts (BA); BA (Business Communications); Bachelor of Commerce (B. Com. in Accounting; Finance; Management; Marketing; Information Systems; Information Technology) and MBA
Monash University	Australia	BA; Bachelor of Business and Commerce; Bachelor of Business Science and Bachelor of Commerce

The for-profit motive does not necessarily undermine academic governance. Three of the four institutions (those from Australia and the UK) have strong academic oversight from their home countries as a result of the national quality assurance requirements of those countries. The institution from the Netherlands does not have such a requirement and the host institution does not provide any academic oversight. In terms of investment in the local operation, the two Australian institutions invested in infrastructure. This included the purchase of land and the construction of reasonably adequate infrastructure. The other two institutions operated from rented space with minimal provision of infrastructure.

In 2000, the enrolments at these four transnational institutions totalled 3,165, which represented 0.5 percent of the total number of students enrolled in both private and public higher education and 10 percent of all private higher education students. Of the 3,165 students that were enrolled in transnational provision in 2000, the majority (88 percent) were in the field of Business, Commerce and Management Studies. Half of the enrolments were at the master's level (MBA only) and the rest at the undergraduate level.

From the point of view of the demographic profile of the enrolments, the majority of students at transnational providers were white (54 percent) with African students representing 24 percent of the total enrolments. The reasons advanced for the low number of African enrolments relate to fee structures, admission requirements and institutional culture that act as barriers to access. Kruss (2004) validates these findings and notes that 82 percent of white students at one transnational institution came from the elite private school sector.

In terms of the cost of education at transnational providers, the fee structure was on average twice that of local public providers and four times that of local private providers. These institutions did not offer bursaries or financial support for poor students. In the case of the MBA, however, companies or local government structures such as municipalities funded students who were in their employment. In one case, 30 students were recruited from, and funded by, a local municipality.⁷

Regarding staffing, in 2003 the two Australian institutions employed approximately 60 full-time academics and 70 non-academic staff, many of whom were South Africans who worked previously in local public higher education institutions. The two institutions from the UK and the Netherlands relied heavily on part-time staff. The characteristics of the academic staff impacted on the research profile of these institutions. Low or non-existent research production characterised most of these institutions despite the fact that they were offering a postgraduate degree like the MBA.

Finally, the very nature of these institutions limited the importance of community engagement projects and/or the integration into local networks. All four institutions had poor teaching and research linkages with local public institutions, while some had forged reasonable linkages with some of the bigger local private providers.

The actual quality of provision of higher education institutions is best judged in relation to the delivery of a specific programme. This opportunity came in 2002 and 2003 when the HEQC undertook a national review of all the MBAs offered by public and private providers in the country.

The review had two parts. The first part entailed an accreditation exercise. All MBA programmes (37 programmes) were evaluated by panels of peers and experts against a set of minimum standards. Programmes which met the minimum standards were accredited and those which did not were de-accredited and had to discontinue offering the programme.

Each programme was assessed against 13 criteria clustered into three categories:

Governance criteria

- The nature and level of the insertion of providers within the national higher education system in terms of its legislative framework and regulations, as well as its broad social and developmental objectives.
- The relationship between the unit offering the MBA and the higher education institution within which it is located, whether this is local or transnational.

Learning programme criteria

- The processes that guarantee the integrity and intellectual coherence of a programme and the mechanisms to monitor and review it.
- The actual intellectual coherence and appropriateness of the programme content in relation to its purposes.
- The structure and articulation of the teaching and learning processes, including assessment, and research education.
- The availability of adequate human resources (academic, support and administrative) to fulfil the objectives of a programme according to its specific mode of delivery. This included the translation of the national goals of equity and redress to institutional and programme level policies for appointments.
- The manner in which programmes guarantee students' access to sufficient and adequate physical and educational infrastructure according to the specific mode of delivery of programmes.

Contextual criteria

- The programmes' relationships with employers and the world of business.
- The ways in which the programmes articulate with broader societal needs and goals that fall within its sphere.
- The contribution of the programmes to the world of business and management in general.

The second part of the national review consisted of a report on the state of educational provision of MBA programmes in South Africa (CHE 2004). The report provides a systematic view of the state of the field, focusing on specific areas of concern such as the coherence of curriculum, the nature and impact of knowledge production and research education, the relationship between the programme structure and outputs and broader societal concerns, and the capacity to produce innovation in professional practice.

Transnational providers fared the worst among all the institutional provider types whose MBAs were evaluated. Three of their four MBA programmes did not satisfy the minimum requirements and had their accreditation withdrawn⁸.

The MBA re-accreditation results indicated that transnational providers in South Africa were not necessarily providing education of a higher quality than other local institutions, as perceived by some students and employers. The MBA review showed clearly that the quality of delivery was site-dependent and that justified reputations in other countries are no guarantee of good quality when programmes travel cross-border and are offered under a completely different set of conditions and with different resources.

The review also showed the importance of and need for external validation of the quality of transnational programmes, which could be carried out by local national quality assurance agencies, or by those local agencies working in partnership with the agencies from the home countries of the transnational providers. In the HEQC experience, the role of international agencies in this regard is not always a guarantee of quality. In the case of the MBA review, one transnational provider had accreditation for its South African programme from an international agency, but was de-accredited by the HEQC. The reason for this was that the international agency focused mainly on the quality of provision in the country of origin of the transnational provider rather than on South Africa as a site of delivery.

From a system level perspective, one of the effects of the implementation of the HEQC quality assurance system has been the identification of private providers who are actually responding to the expectations about private higher education expressed in the White Paper. These providers do help in broadening access, particularly in niche areas in the labour market. Moreover, they are actively involved in quality assurance at their own institutions. In this sense, quality assurance is supporting the realisation of a single coordinated system of higher education where institutions have different missions.

Conclusions

The expansion of private and transnational higher education worldwide has been generated to a large extent by the social demand for 'more', 'different' and 'better' higher education (Kruss 2002, 2004, and this issue; Levy 1993; Altbach 1999). The issue is the extent to which private providers in different higher education systems can actually deliver on this social demand. The expansion of the private provision of higher education in South Africa is no exception. As we have seen, the South African legislative and policy framework that governs the provision of higher education in the country recognises the complementary role of the private

and transnational higher education sector in contributing to human resource development in South Africa.

However, this study has shown that transnational education in South Africa does not necessarily have a complementary role in the national higher education system. On the contrary, transnational providers:

- Do not contribute significantly to broaden access to higher education. Their share in the total enrolments is actually small in comparison with the rest of the higher education system.
- Offer ‘cherry-picked’ programmes, mainly in business and management, and do not contribute significantly to the comprehensive human resource development needs of the country.
- Lack a social engagement with South African society.
- Have limited local partnerships with local institutions.
- Hardly conduct any research.
- Rely heavily on a few full-time academic staff and many part-time academic staff.
- Are mainly institutions with public good missions in their home countries, but profit-driven in foreign countries.
- Do not focus on the development imperatives or the goals of national higher education policy

On a small scale, transnational providers in South Africa have become part of processes of selection and socialization of elites. In the contemporary South African context this means that they facilitate international mobility, possibly for emigration purposes, and respond to a demand by some historically privileged South Africans and for elites from other countries in the region for education that is perceived to be better than the public sector. On the basis of the evidence in the proceeding sections, it seem possible to conclude that transnational institutions in South Africa do not necessarily provide ‘more’, ‘better’ and ‘different’ higher education. Unlike local private providers, they do not play a complementary role to the public higher education system in the country.

Transnational provision has the potential to play an important complementary role to public higher education in developing countries, particularly in contexts where there is growing pressure to increase participation rates in higher education to ensure viable and sustainable socio-economic development, in a context of scarce public funds. Developing countries need, however, to develop policy and regulatory frameworks in which transnational education is integrated into the local system in a coherent and efficient manner. Developing countries’ regulations for the provision of transnational education may need to consider the following:

- Transnational providers could be recognised and legalised both academically and financially, i.e., the national higher education system needs to legally recognize transnational providers as part of the national system. Students from transnational providers should be able to transfer from these institutions to public institutions without losing credits. In terms of financial recognition, transnational providers need to be regulated by the importing country's financial/legal requirements, hence giving the host country some legal recourse in the event of financial impropriety by the transnational provider.
- Transnational providers may have to sign a declaration to act in accordance with the national policy goals of the importing country. This will encourage them to offer programmes in fields that are not only lucrative but also of value to the development agenda of the importing country. In this way, they could play an important role in complementing and strengthening public higher education provision.
- Transnational providers should be financially viable, with arrangements for regular monitoring and reporting to national authorities. Consideration should be given to the creation of a fidelity fund to enable students to at least recover their fees in the event of programmes being de-accredited.
- All qualifications offered by transnational providers have to be recognised in their home country, should have quality assurance clearance for export from their home country, and should ideally be registered in the national qualifications framework of the home country, if it has one. Foreign institutions should submit proof of equivalence of qualifications, proof of recognition and accreditation in their home country, and proof of registration on the national qualifications framework of the home country. In this way mobility and portability of qualifications would be facilitated for students in transnational programmes.
- Franchising of programmes by transnational providers to local providers is often fraught with quality related problems. Where possible, franchising should be avoided or at least scrutinized carefully. Transnational providers should be urged to offer their own programmes and should be held accountable for the quality of provision.
- All providers, including transnational providers, should be subject to the same national quality requirements of a robust national quality agency which implements its systems consistently across public, private and transnational providers of higher education.

The above framework is appropriate for a country that has a well developed public higher education system where demand for higher education does not outstrip supply. The existence of this situation in South Africa allows the state to implement a regulatory framework that outlaws franchising of higher education while encouraging traditional partnerships such as exchange of staff and joint offerings of academic programmes. Such partnerships have the potential to enhance the capacity of local providers to offer good quality academic programmes. In fact, there are many existing examples of such partnerships.

On the other hand, when there is a greater demand for, rather than supply of, higher education, the national systems need to develop a regulatory framework that stimulates the growth of different forms of quality higher education provision. In such cases, the regulatory framework could encourage the offering of quality higher education through franchising relationships that are monitored in some way. Only those institutions from foreign countries which meet all the quality requirements in their country of origin should be allowed to franchise education. Such institutions should obtain a clearance from their national quality assurance agencies, signalling that they have the capacity to offer good quality franchised education. Such a requirement will assist importing countries with new or poorly developed national quality assurance agencies to have some safeguards from poor quality higher education provision.

Notes

1. Technikons were South African equivalent of Polytechnics. This concept has now been done away with since institutional mergers which resulted in the Universities of Technology.
2. In terms of government policy, there are no private universities in South Africa. Private institutions operating in higher education cannot use the designation of a university and are registered by the Department of Education as institutions. However, there is also debate about whether they are institutions or not, especially in comparison with traditional HE institutions as comprised by universities. Some private institutions do not have premises of their own where students would get the feel of an institution other than classrooms. In this regard, 'providers' is sometimes preferred to denote the difference between private providers from public institutions.
3. Private providers also embarked in a series of mergers and rationalisations, led by their holding companies, in an attempt to focus their offerings and put them on a clearer quality foundation, especially as the implementation of the HEQC's quality assurance systems gained momentum.
4. This regulatory framework includes the registration requirements of the Department of Education, the registration of qualifications requirements of the South African Qualifications Authority and the quality assurance requirements

- of the Higher Education Qualifications Committee of the Council on Higher Education (a statutory non-governmental organisation).
5. On the role of private providers in three different African contexts see in this journal the articles by Otieno, Salerno and Bewerwijk; and Obasi. For the Latin American context see Levy (1993) and Levy's piece in Altbach (1999).
 6. This new regulatory framework for private providers is seen by some researchers as protectionist and constraining the growth and functioning private providers (Bitzer 2002; Kruss 2002 and Mabizela 2004).
 7. For an analysis of the use of the MBA as a device to improve the quality of government delivery see [the report on the state of provision of the MBA in South Africa] CHE (2004).
 8. The reasons for the withdrawal of accreditation were the lack of competent and adequate academic staff to deliver the programme; heavy reliance on part-time staff from industry; many of the staff had industry experience, but very few of them had teaching or research experience; dual certification by the local partner and the foreign institution in two cases; in one case, employers in the host country required the certificate to specify that the qualification was obtained in a foreign country. This suggested that employers did not see the qualifications obtained in the foreign country as equivalent to that offered in the home country; curricula which were not contextualised to reflect South African needs with regard to management training; teaching and learning material rights were controlled by the parent institution, with very little room for those academics delivering the programmes in South Africa to change and adapt to local conditions; high student-supervisor ratios; most academics had limited research supervision capacity or experience; no supervision training opportunities existed for supervisors; academics had a poor or non-existent research track record; limited and under-resourced library facilities; block teaching methods not conducive to the promotion of effective learning and mentoring; uneven quality assurance implementation which was mainly dependent on the parent institution. Policies for quality assurance were developed by the parent institution which also had oversight responsibility for them, but there was very little evidence of the implementation of such policies and external evaluation systems not implemented rigorously. No improvement and follow-plans were in operation.

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