students are now those graduating with the highest debt—quite a regressive system. One last issue worth mentioning is the collapse of the number of part-time students since the cap on tuition fees was raised in 2012, showing the inadequacy of the financial aid system for this type of student. Several changes have already been made, including raising the repayment threshold to alleviate debt burden, but a major review of higher education is in the works, and most experts agree that it should lead to definitive changes in the English financing system, with, very probably, a lowering of tuition fees.

Finally, New Zealand has also been struggling with student loan debt and its ICL system, as evidenced by contradictory policies on interest adopted in the 2000s and an increase in the rate of repayment from 10 percent to 12 percent—far higher than in England (9 percent) and Australia (up to 8 percent). This debate concluded with the election of the current government in 2017, which is committed to introducing tuition-free higher education, a radical move away from ICLs.

Lessons from Australia, England, and New Zealand

What the examples of these three countries show us is that systems with ICLs are also prone to issues and questionable policy decisions. These national cases also demonstrate the need for flexibility in the implementation and specifications of ICLs, to be able to adapt the system to a changing economic and social context. Additionally, no ICL system exists without some government subsidization of those loans that are never repaid in full. This must be part of the design from the start, with a conscious decision by the government to subsidize students in this way.

What is also easy to forget, when considering how ICLs fit economically in the current higher education context, is that an ICL is still a loan. Not only does it mean that the borrower's take home pay is lowered by loan repayment, it also has psychological implications tied to the mere concept of debt. Debt aversion, in particular, is strong among individuals from low socioeconomic backgrounds. If ICL is the only financial option, participation from these strata of society could drop. These individuals are also less likely to repay their loans in full, and will end up being subsidized by the government. This highlights the necessity of designing a fair financial aid system, achieving a balance between a means-tested grant system and a well-designed ICL system, to best accommodate all types of students. ■

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African Private Higher Education: Progressive Policies and Ambivalent Stances

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The rise of private higher education (PHE) in Africa has been mainly driven by such factors as the inability of the public sector to meet growing demands, strain on public finance that called for alternative sources of funding, and consequent economic policies that led to structural reforms. By global standards, the growth of the PHE sector in Africa remains low—currently hovering around 20 percent of the overall tertiary enrollment. However, the sector's importance is strongly felt in terms of addressing the deficiencies of the public sector, creating job opportunities, enhancing managerial efficiencies, and infusing an entrepreneurial culture into the traditionally conservative higher education arena. The significant role governments play through appropriate legislation and policies remains one of the most critical levers for lending credence to, and advancing the growth of, the PHE sector. However, arguments against PHE have been equally strong due to a host of controversies surrounding the use of taxpayers' money on private institutions.

We argue that while direct support to PHE could be difficult and in most cases controversial, an indirect form of support to PHEIs, even in resource-depleted contexts like Africa, could help the sector thrive. This type of support, some of which we consider progressive, could come in various forms, as regional experiences discussed here indicate.

Loans and Scholarships

Loans to students and/or institutions are common forms of support to PHEIs, though instituting efficient mechanisms in Africa has not been particularly easy. In Kenya, students from chartered private universities benefit from loans disbursed by the Higher Education Loans Board. In Ghana, the Student Loan Trust Fund provides loans to students enrolled at accredited institutions—including PHEIs. Lesotho's interest-free Loan Bursary Fund is open to all students who have obtained admission to HEIs. Botswana provides student loans and scholarships to privately enrolled students. In Nigeria, PHE students excluded from the public higher education tax fund can access loans operated by the Nigerian Education Bank. Banks in Namibia avail collateral-based loans for higher education at commercial rates. Mozambique's Provincial Scholarship Fund is dedicated to poor students enrolled in public and PHEIs. Meanwhile, in Ethiopia, Malawi, Mauritius, Uganda, and Zimbabwe, government-sponsored student loans are either nonexistent or exclude students from PHEIs, although recently, the Ethiopian ministry of education started supporting academic staff at PHEIs for studies at public institutions—by granting tuition remission.

Loans made available to institutions—at concessional interest rates—are critical in many ways. The Tanzanian Education Authority encourages the provision of loans and grants to PHEIs to meet costs for construction and rehabilitation of educational facilities, purchase educational equipment, and develop their human resources. In Mozambique, PHEIs are entitled to benefit from the Quality Enhancement and Innovation Fund, which is dedicated to strengthening institutional capacity. In the Ethiopian context, however, special loan arrangements that are common for such sectors as manufacturing and export trade are not yet available to the PHE sector.

We argue that while direct support to PHE could be difficult and in most cases controversial, an indirect form of support to PHEIs, even in resource-depleted contexts like Africa, could help the sector thrive.

Auxiliary Enterprises and Taxation

In Kenya and Tanzania, governments do not provide direct subsidies to PHEIs; however, they encourage the private sector to invest in such institutions. PHEIs in Kenya are encouraged to set up auxiliary enterprises that engage in activities such as agriculture, cafeterias, bookstores, clinics, laundry, carpentry, and leasing of conference facilities. In Tunisia, government incentives for PHEIs include offering grants that cover up to 25 percent of their total establishment costs and 25 percent of faculty salaries for a period of ten years. Ethiopia has lately announced competitive research funding for HEIs, but it is not clear yet whether private institutions will be part of this scheme.

Favorable taxation measures have usually been a common means of spurring PHE growth. The Ethiopian investment law exempts duty taxes on building materials used for educational institutions. It also allows exemption from income taxes for the first three years; this, however, has had limited effect due to the brevity of the gestation period for such an investment to take off. The Ghanaian government has recently announced that it will scrap the 25 percent corporate tax imposed on private universities to enhance their roles in national development.

Provision of Land

Governments can also assist PHEIs by providing land for free or at discounted prices or rent. This is crucial, especially where the cost of land happens to be exorbitant and PHEIs are spending an inordinate amount of funds for rented facilities. In Uganda, the government allegedly donated 300 acres of land to Mbale University to help generate additional income through rentals. The Tunisian experience involves selling parcels of land to PHEIs for one dinar—as a symbolic gesture of support to the sector. Ethiopia has also granted plots of land to many PHEIs as an investment incentive.

Leveling the Regulatory Field

Leveling the playing field for both private and public providers of higher education is a notably progressive policy track pursued by governments. In Egypt, the National Authority for Quality Assurance and Accreditation of Education serves as an independent accrediting body for all types and levels of education. The same is true for Ghana's National Accreditation Board, Kenya's Commission for Higher Education, and Uganda's Council for Higher Education, which regulate both private and public HEIs. The Council on Higher Education of Lesotho regulates both public and private institutions, despite their differences in establishment. However, accreditation requirements in Ethiopia continue to be only applicable to PHEIs.

Conclusion

PHEIs will grow and may even thrive in the African HE landscape as the global and regional thirst for higher education continues to surge. It is thus high time to change the discourse on PHEIs along with emerging realities, to harness their potential through favorable and progressive policies. Progressive government policies can be instrumental in fostering PHEIs as effective partners in national and regional endeavors for social and economic development.

Of course, government policy pledges need to be honored to translate intentions into realities—an area where African countries are often cited for falling short. All the same, African PHEIs will find it hard to respond to wider societal expectations without substantial support, both in the form of policies and of real action. Similarly, progressive policies to advance PHEIs ought to be meticulously implemented, without hampering the competitive spirit that drives private business. ■

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Mexico's Strong and Sustained Private Growth: What Is Government's Role?

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The new century has already seen a near doubling of Mexican private higher education (PHE) enrollment, now approaching one million students. This is a powerful surge—even though the growth in the private share of total enrollments, hovering just above 30 percent, is modest. For several basic social, economic, and political reasons, demand for publicly funded public higher education has continued unabated and government has continued responding liberally.

But what is the (national) government's role in the striking recent growth of *private* higher education? While the left blames the government for laxity in allowing inappropriate private expansion, the right (though chronically complaining of restrictive regulation) mostly ignores the government's role, instead attributing PHE growth to a healthy private market of supply and demand. In reality, one mistake is to imagine any clear government plan concerning the size of the PHE sector, while another mistake is to ignore the impact of government's de facto role—through both inaction and action. Government has in fact facilitated the growth of PHE.

How? We identify two fundamental motors: 1. government inaction, namely a lack of purposeful policy on the size of PHE, and 2. government action (policies), aimed at public-sector reform. In this case, neither inaction nor action are designed to facilitate the growth of PHE, but each does. Government inaction has left ample higher education terrain free for private activity—and private suppliers have vigorously exploited the opportunities. Meanwhile, government action has, paradoxically, made the public sector less attractive.

Government Inaction Allowing Private Action

Government inaction is not new. The point here is government's continued, benign accommodation of the private sector, or "permissiveness," in critics' words. This has allowed private institutions to form, become licensed for operation, and function legally. Restrictive regulations remain limited, making it perhaps as easy to start a private university as opening a *tortilleria*. A spate of new regulations in the mid-1990s was enough to arouse concern among PHE providers, but proved no decisive turning point. Good quality private institutions meet government regulations easily, while others find ways around them.

PHE's vigorous exploitation of free space has recently assumed novel forms: private networks, for-profit chains, and online delivery. Online education is growing rapidly at the graduate level and 80 percent of that growth is private, but here we discuss only the networks and the chains.

Government inaction has left ample higher education terrain free for private activity—and private suppliers have vigorously exploited the opportunities.

Private networks in Mexico come in multiple forms. The first began with the famed Tec de Monterrey's 2002 founding of U Tecmilenio, which now stretches across 29 campuses in 18 states. Catholic networks rooted in several venerable elite Catholic universities in Mexico City followed closely behind. The Universidad Iberoamericana is now part of a seven-institution Jesuit network. Similar patterns hold for the (also Catholic) Universidad La Salle, Legionnaires of Christ, and Opus Dei. This surge of religious networks has not been reported in global PHE literature and undercuts any argument that, in Mexico at least, religious higher education is merely a lingering vestige of the past. A third wave of network creation has been a nonelite wave, including the large, demand-absorbing University Insurgentes; at mid-level, with strong job orientation, are the UNITEC and large Universidad del Valle networks. The robustness of all of these private networks demonstrates that, in spite of the overall lack of government planning for PHE and even for higher education in general, multiple private groups have done their own planning—and followed through on it.

UNITEC and Universidad del Valle are also examples of another form of private expansion: for-profit and international. Given the ambiguity of Mexican legislation about