

There is also some suspicion toward the University of Finance and Economics (Ho Chi Minh City) and the University of Fire Fighting and Prevention, both asserting 100 percent employment rates. Critics wonder whether the sample sizes used by university self-reports are large and representative enough. For example, in a report published in September 2017, Saigon University concluded that the employment rate of its graduates in the sector of electrical engineering technology and electronics was 100 percent, based on only one individual response. It is also unclear what kind of jobs are being counted as employment. In Vietnam, many graduates do not work in fields matching their specialization; some graduate with professional teaching degrees but become textile workers after graduation.

POSSIBLE SOLUTIONS

Concern about the unreliability of employment statistics is common in countries that do not have a specialized and accredited agency to conduct employment surveys. Whenever individual reporting of HEIs is involved, there are doubts about whether figures are truly reliable. Employment surveys conducted by third parties under the monitoring of state agencies are considered more credible and objective.

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Several articles in the Vietnamese media have expressed doubts about the effectiveness of the country's new policy. It appears that the public expects state regulations to actually be implemented. To address concerns about the reliability of employment statistics, it is highly recommended that the MOET either conduct the national employability survey itself or establish a dependable agency to monitor the surveying process—rather than leaving this up to the universities. Moreover, to enhance the credibility and quality of employment information for the benefits of the students, the MOET should require universities to report the average incomes of their graduates.

For the moment, most Vietnamese HEIs are perceiving the regulation to publish employment statistics more as a requirement to be met than as a golden opportunity to improve their positions in quality rankings. In other words, Vietnamese HEIs are not yet accustomed to function as independent enterprises in a competitive education market, where customers (students and parents) review

employment statistics to make decisions. Therefore, the government's plan to lower unemployment through top-down pressure will not succeed as long as employment rate publication is considered a must rather than a need. This is an inevitable result of the status quo in a centrally planned education system, as pointed out in a recent article on the autonomy of Vietnamese HEIs in *International Higher Education*. It will take a long time before employment data becomes an effective tool to motivate Vietnamese HEIs to improve the quality of higher education. ■

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Panama: Higher Education is Key

PHILIP G. ALTBACH AND NANETTE A. SVENSON

Philip G. Altbach is research professor and founding director of the Center for International Higher Education, Boston College, US. E-mail: altbach@bc.edu. Nanette A. Svenson is a global development and education consultant in Panama. E-mail: nanette.svenson@gmail.com.

Because of its unique geographical position, Panama has always been an important regional and global crossroads, with the Panama Canal offering perceptible evidence of this. Built over a century ago, the waterway is critical to global commerce and the national economy. International finance, transport and logistics, and tourism and other services comprise over three-quarters of the gross domestic product (GDP) and besides their reliance on geography, these economic drivers have something else in common: they require a highly educated workforce. Ironically, Panama has one of the weakest education systems in the region. Worse still, the country is doing relatively little to remedy this situation and lacks a collective sense of how central brainpower is for the nation's future. This complacency may be due to its noteworthy performance over the past decade; economic growth has averaged over 7 percent annually and infrastructural developments in and around Panama City have been impressive. This success is probably unsustainable, however.

Panama likes to compare itself to Singapore. Both countries have small, diverse populations, limited physical resources, and privileged global positioning that allows for valuable niche economies based on international services. But Singapore has successfully focused on education since the beginning, for economic growth and sustainable devel-

opment based in significant part on human resources. Panama has not. As a result, Panama is more like the United Arab Emirates, a country that relied for years on a single natural resource, acknowledged late the need to diversify its economy, began to do so with overreliance on imported talent and product, and only recently recognized the importance of improving its education system to create a more productive national workforce. Panama must take note.

OVERVIEW OF PANAMANIAN HIGHER EDUCATION

Since the 1990s, Panama has experienced a major growth in the number of universities established—beyond the five public and one Catholic institutions, mostly in the for-profit sector. Over 100 universities are listed in the public registry; less than half are recognized by the authorities, and fewer than that are accredited by either national or international accreditation agencies. Enrollment figures are around 40 percent, though completion rates are far lower. According to UNESCO, 13.5 percent of the Panamanian population hold a bachelor's degree, 2 percent hold a master's, and 0.3 percent hold a doctorate. Roughly, two-thirds of the students are enrolled in the five public universities, the oldest and largest being the University of Panama (UP), with the others more recently established from former UP departments or regional centers. The private sector represents only a third of enrollment but is the fastest growing segment. Most universities are located in and around the capital, with several others scattered among a few other larger cities.

CRITICAL DIFFICULTIES

Like many Latin American countries, Panama has underfunded and neglected its schools at every level and concentrated on coverage instead of student learning outcomes. Consequently, public schools are typically of low quality and unable to provide the skills young people need to succeed in postsecondary education or participate directly in a service-based economy. Those who can afford it send their children to private schools to prepare them for better employment opportunities. This has contributed to high economic inequality and an increasingly polarized social structure.

The university and research sectors have been particularly disadvantaged, badly managed, and resource-starved. Despite the overabundance of universities, few are of reasonable quality, none come close to “world-class” standards, and most do not compare favorably even with other Latin American institutions. This is partly a reflection of resource allocation. Panama invests a paltry 0.7 percent of its GDP in higher education, less than half the percentage the United States and other OECD countries invest. The bulk of this goes to the UP, also notorious for its history of corruption,

inefficient management, and obsolete curricula. Funding for research is also scarce. In the past decade, Panama has invested only 0.1–0.2 percent of its GDP in research and development, about 20 times less than the OECD average. This, combined with low levels of graduate and postgraduate training and the traditional teaching orientation of Panamanian higher education, has made it difficult to develop much of a research culture.

Panama also grapples with a highly bureaucratized and politicized legal environment that limits innovation and development. Its ministry of education is the largest and most dysfunctional of the government agencies; the national constitution places all higher education programming authorization under direct control of the dubious UP; and the National Higher Education Accreditation and Evaluation Council (CONEAUPA), established in 2006, is just beginning to gain a presence in the sector.

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ATTRACTIVE RESOURCES

Panama also has some assets at its disposal that it could better employ to reverse these lackluster trends. It has an unparalleled but underused resource in its City of Knowledge, an academic–economic free zone located in the former Panama Canal Zone. This location is home to the United Nations hub for Latin America and the Caribbean (and numerous other international organizations), along with several research centers, schools, and foreign universities, including a branch campus of Florida State University. Most of these institutions have minimal permanent faculty and conduct little research, but they offer an international complement to national higher education. By law, the City of Knowledge is free from ministry of education and UP regulation—an enormous advantage—and it also houses the National Science Secretariat (SENACYT), an autonomous body responsible for propelling scientific research and innovation. SENACYT's budget and human resources are limited but still it has begun to establish protocols and processes for promoting research activity. Another autonomous public–private entity, INDICASAT, Panama's first official biomedical research center, is located in the City of Knowledge as well and has started to achieve significant gains in research, doctoral training, and national capacity

building, largely in conjunction with international partners. Much more could be made of all these City of Knowledge assets with additional public and private sector support. Close collaboration, as yet lacking among the City of Knowledge institutions, would also help boost productivity.

A WAY FORWARD

Three macroelements and various smaller initiatives are key to turning around Panamanian higher education. First and foremost is the need for recognition by government and society of higher education's importance to sustainable national development. Second is the urgency for dismantling the stifling political, legal, and bureaucratic hurdles endemic in the country's systems. The UP must be relieved from higher education oversight, and public funding of higher education and research must extend far beyond the UP. Third, provision of adequate resources is vital and Panama can well afford to pay for developing quality higher education institutions and R&D that serve national economic and social needs. To neglect this, given the country's economic success over the decades, is unforgivable and foolish.

Private higher education can play a major role in Panama's higher education development and several institutions are beginning to do so in visible and important ways. For all institutions, relevant quality controls and freedom to innovate are indispensable, though neither is well governed at the moment. Finally, internationalization is as central to Panama's academic future as it has been to its economic development and must be advanced accordingly. Potential institutional partners for higher education and research are readily available worldwide—what is required on the Panamanian end is some strategic planning, additional investment, and promotional selling. The City of Knowledge is a fortuitously placed national asset for pushing this agenda and should be better leveraged to this end.

Utilizing Panama's geographic advantage to propel its lagging higher education and research base is imperative for maintaining economic growth and social stability. As banking, logistics, and tourism have been pushed toward world-standard performance, so must happen with Panama's universities if the country is to stake a significant claim to participation in the global economy. ■

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Kenyan Universities: On the Brink of Financial Insolvency

ISHMAEL I. MUNENE

Ishmael I. Munene is professor in the Educational Leadership Department, Northern Arizona University, US. E-mail: Ishmael.Munene@nau.edu.

It is crunch time for universities in Kenya: for the last three years, the sector has been reeling under a financial crisis of unprecedented proportions, raising questions about its long-term sustainability. So desperate is the situation that universities are unable to cover basic operating expenses like payment of salaries, utilities, and statutory contributions including income tax and pension funds. One private university has been ordered to close by regulators, owing to financial insolvency, while two other private universities have two years to clear all their debts or face a similar fate. The public university system debt stands at US\$110 million, with the debt of the premier public university at over US\$10 million.

The current crisis echoes the financial catastrophe of the mid-1980s to mid-1990s, when the public university system almost went under owing to state budgetary cuts and the introduction of tuition fees and other market-based strategies. It is ironic that a university system that ten years ago was well funded with tuition revenues should now be on the brink of bankruptcy. The prevailing financial crisis is the result of an interplay of two forces: macro-level policy reforms with system-wide ramifications, and micro-level institutional governance malpractice. The former encapsulates system growth, inequities in enrollment growth, quality enhancement strategies, the failure of the market model, and decreased state support, while the latter includes weak institutional systems of financial governance.

SYSTEM-WIDE POLICY CHALLENGES

Uncoordinated system-wide growth has shrunk the tuition revenue available to most universities. The initial surge occurred in response to an unprecedented demand for higher education after its liberalization in the mid-1990s. From four public and one private universities in the mid-1990s, the number of universities currently stands at 63, of which 33 are public and 30 private. Around 70 percent of the public universities were established during the 2012–2013 academic year. The rate of university growth, however, has far exceeded the rate of demand for higher education, which plateaued in recent years. This unchecked growth in the number of universities translates into less tuition revenue available to each institution.