

a beginning, yet they laid the foundation for the future growth of research universities in China. These years would be one of the first of many instances of Chinese educational leaders borrowing from abroad in higher education in the 20th century.

#### LOOKING FORWARD

Today's Chinese higher education reformers still pay close attention to higher education in other countries, yet reformers have never been able to completely cast off ancient traditions or ignore the vicissitudes of state politics. In the early 21st century, the biggest challenge for us is to establish a Chinese model of higher education and gain comparative advantage. ■

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## The Problem with Public University Salaries in Kenya

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The fourth faculty strike in two years, over salaries in Kenya's public universities, ended in March. If history is a guide, the truce is merely a strategic retreat before another battle. Soon drumbeats of war will be sounded for another night of long knives. The frequent high-octane skirmishes over university salaries have become toxic to the nation and disruptive to academic programs. So, what ails public university salaries in Kenya and how can the problems be ameliorated once and for all?

The discontent over university salaries stems from a triumvirate of three interrelated factors: union-initiated cost-of-living salary adjustments, merit pay, and equity. The failure by national educational authorities and the university administrators to resolve the contradictions arising from these issues only serves to amplify the stakes in salary adjustments and ensures that unions and universities are locked eternal combat. Key to resolving the incessant battle is moderating the enormous influence of Collective Bargaining Agreements in compensation enhancement in public universities.

#### COLLECTIVE BARGAINING AGREEMENTS

No doubt, trade unions play a crucial role in setting the low-

er and upper limits of university salaries. The unions have a good grasp of the macro- and micro-economic conditions, affecting the purchasing power of their member's income. The 33 percent salary and 17 percent housing-allowance increase negotiated in 2014 between the state universities and three unions—the University Academic Staff Union (representing the faculty), the Kenya University Staff Union (representing the professional staff), the Kenya Union of Domestic, Hotels Educational Institutions, Hospitals and Allied workers (representing the junior staff)—shows the dexterity of the unions in cushioning their members from the deleterious effects of inflation. Under the agreement, the most senior professors earn a consolidated monthly pay of around US\$3,300, while their junior counterparts make US\$1,757. With an average inflation rate of 12 percent and with no free public education for dependents, these salaries are barely sufficient to sustain a middle-class lifestyle for the academic staff. Even with the increase, the salaries still lag behind their counterparts in the judiciary and legislature. Twenty years ago a senior university professor, a judge, and a member of parliament earned similar monthly pay and benefits. Today, a member of parliament takes home around US\$9,400, while a judge makes US\$7,000 per month.

These across-the-board salary increases, along with the accompanying annual increases based on years of service, have exerted severe pressure on the government exchequer and university treasuries. So much so that universities diverted portions of the funds meant for payment of the new salaries toward debt clearance and facilities maintenance, thereby occasioning the latest industrial strife.

#### PAY FOR PERFORMANCE

While the unions have proved to be adept at reading the macro-level economic conditions, they are very poor readers of merit-pay systems in universities. Due to the stranglehold of Collective Bargaining Agreements, lecturers and professors in the same grade earn similar salaries, despite differing levels of productivity. In other words, "pay for performance" is anathema in Kenya's public university system. In a merit-based system, salary increases are also weighted on performance indicators in the areas of teaching, scholarship, and community service. The system appeals to the values of individualism, achievement, and rewards. In absence of a merit-based compensation system in Kenya today, a highly productive professor or lecturer will mainly earn the same salary as their nonproductive counterparts—longevity in rank being the only condition for annual salary increments.

To reward merit, university mandarins need to devise annual pay-for-performance salary increases weighted in accordance with teaching, scholarship, and community

engagement as per the institutional missions. Such a system will also make it possible for both the administrators and university staff to identify organizational goals that are worthy of financial reward—thereby reinforcing institutional values. In addition, merit pay moderates institutional budgetary constraints by limiting the amount of funds dedicated toward across-the-board salary increases.

#### MARKET PAY EQUITY

Since Kenya's universities source additional revenues from the marketplace, it is only realistic that salaries reflect the realities of the marketplace. Under Collective Bargaining Agreements, all professors and lecturers in the same rank command similar salaries irrespective of disciplinary affiliation. Professors and lecturers of medicine cost more to train, recruit, retain, and generate more research grants to the university than their counterparts in the humanities and social sciences. So why should their base pay be comparable? By infusing market-based disciplinary differentiation in the base pay for university academics, Kenyan universities will ensure that faculty retention is feasible in disciplines with high-market demand.

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The same policy of differentiated pay, based on institutional context, should apply for university executives. During the recent industrial fracas, vice-chancellors were reported to have illegally awarded themselves a 100 percent salary hike. Why should vice chancellors at nascent institutions—like Karatina, Kisii, and Chuka—with student population barely crossing the 2,000 mark command the same pay as leaders in complex urban universities like Kenyatta and Nairobi with student populations of 60,000 and 54,000 respectively? The dexterity and mental energies required to run the latter far outweighs the former. Policy guidance from the Commission on University Education and the state education office on vice-chancellor compensation will be invaluable in this regard.

In all, permanent ceasefire will not be possible without a democratization of budget making in the state universities. Union allegations of high-level corruption at the uni-

versities coupled with student strikes over fee increments show how opaque the university budgets have become. If universities can publicize mundane activities—like cultural shows, high profile visits, and gate openings—they can at least share budget information with their constituents as national and county governments do. They could do well to borrow from American institutions, where budgets are posted online and university presidents give annual state of the university address. Further, proposals for fee increase need to be exhaustively discussed with students before implementation. ■

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## Be Careful What You Wish For: Pending Privatization of Australian Higher Education

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The Australian government's recent national spending audit, commissioned by the incoming federal government in advance of the mid-May Budget, opened a Pandora's box of proposals—not least in higher education. Now that the federal budget has been proclaimed, it is clear how well these ideas accord with the relevant minister's own views. While not all ideas were taken up, at least three repay closer attention: public funding of higher education, privatization, and regulation.

Minister Pyne's recent speech in London professed shock that more Australian universities were not in the top 50 worldwide, as one reason supporting a shake up in higher education. This is the kind of statement we expect from ministers of education anywhere—the Malaysian minister, among many others, has made similar noises in recent years. But in Pyne's case, the reference to the *Times Higher Education World Reputation Rankings* can only be explained as either the expression of a minister—either not familiar with the details of his portfolio or as a way of making a political point. The *Times Higher Education* rankings, of course, give substantial weight to reputation, rather than actual performance. The much more robust, reliable Shanghai Jiao Tong Academic Rankings of World Universities (ARWU) shows that, while Australia has no entry in the top 50 for 2013, five universities (Melbourne, Australian Na-