

Useful Prescriptions

Book Review

Adrian Ziderman and Douglas Albrecht, *Financing Universities in Developing Countries* (Washington, D.C.: Falmer Press, 1995). 189 pp. ISBN 0-7507-0353-9

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The World Bank has become a dominant purveyor of policy analyses and prescriptions in the arena of higher education finance and management for the developing world. In 1994, the Bank summarized several years worth of studies and major regional seminars on the topic in a relatively thin, but comprehensive policy study entitled, *Higher Education: The Lessons of Experience*. In *Financing Universities in Developing Countries*, Adrian Ziderman and Douglas Albrecht, two of the principals in the 1994 policy study, have produced a much-elaborated and more prescriptive, but still useful, work from the Bank's rich fund of analyses and experiences.

The developing world, of course, covers enormous variations: political, cultural, and economic. But most of that world can be characterized by the following: great tertiary-level enrollment pressures; stagnant, and in some instances collapsing economies; enormous unmet public needs in social and physical infrastructure; and generally intrusive and dysfunctional governmental regulations.

The privation of the universities, by Western standards, is staggering—although many aspects of the material lives in the countries of sub-Saharan Africa exhibit no less staggering privation. It is not always clear what is at stake: e.g., the economy, the ambitions of the aspiring middle class, the positions of the privileged, the hopes of the poor, or some kind of national/cultural status. But there does not seem to be any way that most of the nations in the world, especially the developing world, can continue to support universities in the way that they would like to become accustomed—with low student/faculty ratios, scholarly support and competitive salaries for the faculty, affordable living arrangements for the students, low tuition, decent physical plants, libraries, computers, and other modern tools of the academy—and absorb large enrollment increases from students who cannot or will not pay.

Ziderman and Albrecht provide generally familiar World Bank prescriptions, but they do so with impressive evidence,

a measure of cultural sensitivity, and appropriate caution. Decreasing the reliance on governmental revenue is part of the medicine, as is revenue diversification. However, the authors also recognize the limits of the private sector, and while perhaps overly enamored of the experience of Chile, they recognize that most of the universities in this particular world are going to remain public. The call for more autonomy with full public accountability strikes a chord with anyone who has struggled with the demoralizing combination of government revenue cuts and foolishly wasteful micromanagement.

The authors provide a good summary of the less-than-definitive research on the likely effects of tuition and fee increases on student enrollments and persistence. They realize that the isolation of much of the population from universities and colleges within commuting distance and the limits of personal transportation make the provision of living arrangements for students almost imperative, although they correctly urge that this be the first place to introduce the incentives and discipline of the marketplace.

The authors call attention to the various forms of "delayed cost recovery," including standard mortgage-type student loans, (income) contingent repayment loans, and human capital equity finance schemes, including forms of graduate taxes. The discussion on loans and loan-variants is as good as there is in the literature, with great sensitivity to the difficulties in implementing national loan plans, and an appropriate caution regarding the generally rather small net savings to the taxpayer from even the most thoughtful plan.

It is not clear, at least for the most economically depressed nations, that all of the conceivable cost recovery from nongovernmental sources, all of the possible revenue augmentation, even with the most entrepreneurial institutions, and all of the governmental reforms, even with unprecedented political and managerial enlightenment, can bring tertiary-level education in any form resembling a Western university to anyone but a small elite, whether intellectual, political, or social. If this is not an outcome to be desired, then some form of far more radical restructuring and reconceptualizing of tertiary-level education may be essential. But from a conventional perspective on the developing world—in which nations are aspiring to economic growth, modernity, democracy, and all the education their people can absorb, and in which universities must be made to work as well as possible—Ziderman and Albrecht have written a first-rate book that can enlighten policymakers in the highly developed and developing worlds alike.