

PRIVATE GAINS: QUALITATIVE

Although for-profits are almost inevitably challenged for lacking academic quality, the seriousness of the Laureate undertaking can scarcely be questioned. The administration is professional, and a premium is placed on client services and satisfaction as well as, relatedly, business ties (as with Microsoft). Laureate is selective regarding the institutions in which it invests. No secret is made of the profit motive, yet Laureate in Costa Rica also claims a mission of academic seriousness reaching all the way to top-level teaching staff and research.

A more generalized phenomenon affecting private-sector quality and standing is accreditation. This is a concern at the multicampus Universidad Latina (the country's largely private university), the Iberoamericana, and others. Many private institutions are engaged in forms of self-evaluation. As is commonly the case regarding accreditation for private higher education institutions, the upside concerns quality, status, and legitimacy—each in turn potentially enhancing marketability. Another hope is that accreditation can enlarge the scope of autonomy.

A common private-sector complaint concerns how many measures require external (often slow) approval. UNIRE, formed in 1995, is an association of private universities (approximately 40 of the country's 50), which sees its present role largely in terms of protecting its members from a heavy state hand. Another private-sector concern involves the difficulty of meeting accreditation standards, particularly if they derive from conventional academic indicators favored by established public universities. The accreditation route also involves financial costs for the institutions.

A variety of private institutions, not usually included in aggregate higher education data, would show a yet more robust private sector in both quantitative and qualitative terms. There are institutions concerned with applied research and other institutions—atypical in formation, finance, and governance—with specialized teaching functions, as in agriculture. ■

The Politics of Fees in Uganda

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In countries where the state has traditionally paid most of the cost of higher education, the introduction of or increase in tuition fees—or any other form of cost sharing—is a politically contentious issue. Students and parents (even those able to pay) are opposed to fees however much the cost of providing high-quality education escalates. Elected lawmakers, sensitive

to the political impact of fees on the wishes of voters, often block fee increases although they may be aware that such an action will reduce the quality of education delivered and impinges on the institutional autonomy of universities. It is reported that one of the reasons the Labour Party in the United Kingdom was returned with a reduced majority in 2004 was its earlier decision to raise university fees.

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In Uganda, in June 2005 Parliament reversed Makerere University's proposed hike of tuition fees to align the latter with a reasonable percentage of unit costs. In November of the same year, students at the same university went on strike when the institution hiked examination fees from about Ushs 3,000 (US\$2.00) to about Ushs 100,000 (\$75.00). While private universities and schools in Uganda have often increased fees without stiff political and student obstruction, public universities are unable to do so. Parliament and government officials seem to believe that public institutions do not have freedom to set fees independently of government authority. Since the realistic cost of teaching a student is far higher than the actual fees, institutions that can freely sell their higher education products at market value are the ones likely to sustain the delivery of quality higher education. At most Ugandan universities, students pay about 30 percent of the annual cost of the programs for which they are registered. Government institutions—with decreasing government budget allocations coupled with deteriorating infrastructure, declining ability to purchase inputs, and increasing student numbers—are unlikely to provide high-quality higher education for a sustainable period of time.

FEES AND UNIT COSTS

At public and private institutions, fees paid are lower than the unit costs. A study done three years ago and updated recently by the National Council for Higher Education indicates that the cost of educating a medical doctor at Makerere and Mbarara Universities is about Ush 10 million (US\$6,000) but students pay Ush 2.3 million (US\$1,500); in agriculture the cost is Ush 5 million (US\$3,000) but students pay Ush 1.66 million (US\$1,000); for veterinary science, the cost is about Ush 6 million (US\$4,500) but students pay Ush 1.9 million (US\$1,300); and in the arts and sciences the story is the same—students pay about 30 percent of what it costs to educate them. It is true that fees are not the only sources of income for public universities. But since Makerere University began to charge fees, it has increased the proportion of fee-paying students to about 80 percent of its enrollments. Its dependence on fees has likewise increased. Government funding has not increased due to increased budgetary constraints. For most Ugandan universi-

ties, donations, endowments, and business activities do not constitute a significant component of annual budgets.

THE IMPACT ON QUALITY

The extensive survey of institutions the National Council for Higher Education carried out in 2004 observed that “all higher education institutions do not have adequate financial resources to improve and expand the physical infrastructure, provide modern academic facilities, attract and retain qualified academic staff needed to deliver quality higher education.” Faced with lack of money, university administrators cut back on educational inputs to balance budgets. In turn, this affects quality.

WHAT ARE THE OPTIONS?

A number of high schools, the so-called First World Schools, in Uganda charge fees that are higher or equal to those charged by universities. Yet the politics of fees that is contributing to the decay of Uganda’s public university system is apparently absent at the school level. Like private universities, public institutions should be able to charge fees at market value without undue pressure from the political system.

To resolve the problem of funding public universities, a number of options are possible. First, the national policy of liberalization should extend to universities. Uganda prides itself on having a liberalized economy in which monopolies and market regulations have been broken down. Second, the government and its agencies should not micromanage public universities. The government should respect the institutional autonomy of universities guaranteed under the Universities and Other Tertiary Institutions Act of 2001. Third, although increases in fees must take into account national per capita incomes, it must be understood that the training of skilled personnel like doctors, lawyers, engineers, veterinarians, computer experts, and other professionals is not cheap. There is a minimum cost of inputs required to train quality professionals. Current fees paid are far below the minimum. Fourth, the state alone cannot finance higher education. The participation of the private sector must be boosted by more incentives, such as tax relief on all education materials and user-friendly legislation.

As soon as possible, chartered and statute universities should receive tax relief such as exemption from VAT payment and customs duties. Fifth, scholarships and loan schemes should be put in place as soon as possible to benefit able but poor students to borrow money for fees and pay back when they start to work. Sixth, foreign students should not be subsidized by Ugandan taxpayers. They should immediately pay realistic unit costs in Uganda’s tertiary subsector. Seventh, government must prepare the tertiary sector to receive the beneficiaries of the Universal Primary Education (UPE) project by rehabilitating both the university and the nonuniversity subsectors of higher education, with affirmative focus on the latter. Eighth, the tertiary percentage share of the Ministry of Education and Sports budget should be increased from the current 9–15 percent to 25 percent or more if the UPE beneficiaries are to get quality higher education. And, lastly, the looming financial crisis in universities that could retard sustainable development is due to reduced skills capacity. These skills are obtainable at well-funded tertiary institutions. To begin to address the crisis, the country should be prepared to change its attitude toward higher education by shifting training away from a focus mainly on universities to other subsectors of the tertiary education system.

CONCLUSION

The government, its agencies, and students must accept that the cost of providing quality higher education is high and increases with rising costs of living. If stakeholders are not ready to accept cost sharing, institutions will cut back, as they are already doing, on education inputs, which in turn will translate into the delivery of inferior higher education. Public universities are likely to suffer most because they are more subject to political and student interference than private universities. Currently, these institutions have more funding because of government allocations. However, lack of institutional autonomy in the management of fees is likely, in the long run, to place them at a disadvantage vis-à-vis private institutions. ■

New CIHE Publications

The International Handbook of Higher Education, coedited by James Forest and Philip G. Altbach, has been published by Springer Publishers in the Netherlands. This 1,100-page, 2-volume set includes 55 chapters, 19 of which focus on comparative themes such as the history of higher education, finance, globalization and internationalization, teaching and learning, the role of technology, and others. The rest of the chapters cover countries and regions. Further information can be obtained from Springer Publishers, POB 17, 3300 AA Dordrecht, the Netherlands (www.springeronline.com). A limited number of

paperback copies are available without cost to readers and institutions in developing countries from the Center. Please write to the Center to request a copy.

The Center has reissued *Comparative Higher Education*, by Philip G. Altbach, originally published in 1997 by Ablex. The book consists of 13 essays on such themes as the university as center and periphery, student political activism, higher education in China and India, foreign students and scholars, the role of higher education in newly industrializing countries, and others. A limited number of copies are available without cost to readers and institutions in developing countries. Please write to the Center to request a copy.