



43RD ANNUAL MEETING OF THE BOARD OF GOVERNORS

SEMINAR ON FINANCING OF TERTIARY EDUCATION

WEDNESDAY, MAY 22, 2013

1:50 – 3:50 p.m.

SANDALS GRANDE RESORT AND SPA, ST. LUCIA

The objective of the symposium was to sensitise participants to the key policy and technical issues for financing of tertiary education in the Caribbean and to elicit recommendations for a sustainable financing framework.

The panelists were:

Mr. Vis Naidoo: Vice President, Commonwealth of Learning

Mr. Naidoo provided a definition of tertiary education and the importance of tertiary education to social and economic development including the development of high level skills and knowledge needed for government, society and business. However, he cautioned that it was important to find the right mix of funding among the other sub-sectors namely: primary and secondary. He noted that there was always tension between cost and improving efficiency and creating sustainable tertiary education without compromising the quality of the offerings. He postulated that it was important to increase scale and quality while decreasing cost – the Iron Triangle. He posited that Open and Distance Learning modalities could provide viable options for increasing access at reduced unit costs. He concluded his presentation with a short discourse on Open Educational Resources (OER) – which are “teaching, learning and research resources that reside in the public domain or have been released under an intellectual property license that permits their free use or repurposing by others’ (as cited in McGreal, et al) and MOOCs- Massive Open Online Courses.

2. Dr. Andrew Downes: Professor of Economics and Pro Vice Chancellor (Planning and Development) at the University of the West Indies (UWI) –

Dr. Downes gave a short history of the University of the West Indies and the important role that it has played in the social and economic development of Region. He also gave a brief overview of the tertiary education landscape including the myriad of national universities and colleges, private universities, both on and off-shore and external colleges and universities offering online and distance programming. In analysing the financial framework of the University, Prof. Downes referred to the Charter which stated that the contributing countries (15 in total) should “undertake **to contribute to the revenue of the University on a continuing basis**”. However, he went on to add that financing the regional university has been a major challenge from the beginning of its existence. He reported that there has been a declining reliance on the public purse as the University has sought to become more entrepreneurial and would continue on this trajectory at an even faster pace, as articulated in its Strategic Plan 2012 – 2017. Notwithstanding, he recognized that there would always be the need for government funding for the CORE operation areas of the University. He opined that there was need for the University to lead the discussion on development of a tertiary education architecture that embraced national colleges, diploma certifying institutions with The UWI at the apex offering research and graduate programmes.

He concluded by assuring the audience that The UWI would keep true to its mandate of contributing to the social and economic development of the region within an environment of improved equity in access, enhanced efficiency of operations and reduced operating costs. He opined that the implementation of the Single Virtual University Space project could be the catalyst for achieving these outcomes.

3. Professor Johnstone - State University of New York Distinguished Service Professor of Higher and Comparative Education emeritus, Director of the International Comparative Higher Education Finance and Accessibility Project at the State University of New York at Buffalo

Prof. Johnstone focused his presentation on sustainable models for student loan schemes. He postulated that although student loan schemes were complex, they could be sustainable if appropriately designed. He hypothesised that failure of programmes generally resulted from (i) Interest rates being too low (excessive subsidization), (ii) too many loans given: thus most too small to make a difference (an unwillingness to ration); (iii) insufficient staff, professionalism, and time to prepare the administrative and legal bases for collection; and (iv) loans given without impressing on students the need to repay and the consequences of default.

He proposed a model based on three legs of a stool the first being Design: building in minimal interest subsidization and real theoretical recovery. The second leg would target Execution: minimizing non-repayments / defaults and the third Tapping private capital: lessening the annual demands on governments’ operating budget and treating students loans as real assets rather than as expenditures.

Prof. Johnstone concluded that student loan schemes were not the panacea for rising tertiary education costs. He proposed that Universities must be seen as trimming costs, governments (politicians) must be

seen as more efficient (and less corruptible); and students must get something in terms of: (1) better quality, or (2) more access.

The discussions following the presentations reiterated the difficulties that BMCs were experiencing in financing tertiary education given the demand for funding from a range of other important social and economic sectors in an environment of fiscal difficulties. The concern that national colleges and universities could not be adequately funded to ensure that quality education services were provided was also expressed by BMCs. The general conclusion of the discussions was that there was need to continue the conversation of financing of higher education in the region.