Prospects of Mobilizing Financial Resources through Public-Private Partnerships (PPPs) in Private Universities in Uganda

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Abstract

Higher education (HE) is critical in national development through knowledge production, distribution and innovations. As a result, many governments globally have made efforts to provide HE by investing and funding to increase access and tap benefits of HE. However, governments especially in developing countries have been constrained by the funding challenge. The challenge has been exacerbated by increasing demand for higher education which has raised enrolments. To avert this challenge, governments, including Uganda, embraced liberalization policies which among others ushered in establishment of private higher institutions. This was to reduce the pressure on governments as far as access and financing is concerned but at the same time, the government maintains the benefits of higher education. In Uganda, this policy has led to increase in both private universities and students' enrolment amidst limited resources especially financial, which has compromised on the quality provision. The financial challenge can be lessened by creating conducive environment that fosters joint collaboration to diversify the sources of funding. PPPs are the current trends which enhances such collaborative efforts. Despite this opportunity, private universities in Uganda have not adequately embraced the PPPs. This paper therefore attempted to explore the prospects of mobilizing financial resources through PPPs by private universities in Uganda. The specific objectives were to: identify opportunities for mobilizing financial resources through PPPs and explore conditions necessary to effectively mobilize resources through PPPs by private universities. The study utilized the qualitative research approach using the descriptive design. Interviews with experts in PPPs and document reviews were employed. Data analysis was made by coding, categorization and thematising. The preliminary findings reveal that several PPPs opportunities such as: securing grants from government for students, staff in public institutions rendering services in private universities exist, but private universities in Uganda have not adequately embraced PPPs to reduce their financial challenge. Universities rely mainly on tuition fees and some income generating activities which are minimal and cannot support all their programs. Effective PPPs need government support, favorable economic environment, partnering skills, good institutional governance among others. The study tentatively concludes that PPPs in private universities have minimally been embraced. It is tentatively recommended that private universities in Uganda should embrace PPPs as one of the feasible ways to improve on financial gaps.

Key words: PPPs; private higher education; Uganda.

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1. Introduction

In the contemporary knowledge economy, universities play critical role in national development through knowledge production, innovations, and training of skilled human resource (Cloete, Bailey, & Maassen, 2011; Kasozi, 2009; Boye & Mannan, 2014). This role has made governments to invest in university education. However, governments are constrained by a number of challenges to fulfil this role such as: limited student access to universities, issues of quality and relevance to the job market and inadequate financing, among others (Ochwa-Echel, 2016). Among these challenges, the financial challenge is paramount as it affects almost all aspects of the university quality education provision; for example, recruitment and maintenance of competent staff, facility provision, provision of teaching and learning resources, research engagement, among others. It is widely noted that government funding is inadequate to meet the growth in demand for university education. Thus, non-government provision is expanding (Bjarnason, 2009). In Uganda it was noticeable that public universities received full funding from government but with time funding became inadequate and declined due to civil wars in 1970's. The declining trend was accelerated by structural adjustments policies which came up as a result of World Bank reports which had revealed that the social rate of return for HE was lower as compared to primary education. These policies led to the removal of subsidies from higher education, introduction of cost sharing in university education, emergency of private universities, among others (Ochwa-Echel, 2016). Private universities in Uganda emerged in 1988 with the aim of reducing the pressure on governments as far as access and financing was concerned but at the same time, the government maintains the benefits of higher education. Despite the paramount contribution of private universities especially in increasing student access to university education (for those students who are left out in public universities), quality has been compromised due to inadequate funding to recruit adequate and qualified human resource, put up adequate and appropriate infrastructure and carry out research (Bjarnason, 2009; Kasozi, 2009; Mugabi, 2012). In this paper we argue that financial challenge can be lessened by creating conducive environment that fosters joint collaboration to diversify the sources of funding and overcome challenges private universities face. PPPs are among the current trends which enhance such collaborative efforts.

PPPs are contractual agreements between one or more governments/public agencies and one or more private sectors or non-profit partners for the purpose of supporting the delivery of services or financing, designing, building, operating and/or maintaining a certain project for the public good. According to Odekunle and Babalola (2008), PPPs have benefits such as: cost saving and reduction through innovative technologies; cost sharing; enhancement of revenue generation from different sources and economic benefit in terms of transfer of expertise and economic growth. The most common PPPs are contracting models where the government entity enters into an agreement with a private provider in exchange of regular payments (Government of Uganda [GOU], 2015). However, in this paper, PPPs refer to an arrangement where a private university enters into an agreement with government in financing, delivery of services and acquire a specified service/ expertise.

In Uganda the phenomena of PPPs is not new. For example, the government is partnering with private schools in the provision of secondary education (through USE program) which started in 2007 (Barungi & Kasirye, 2015) and government aided schools. Evidence of PPPs through government partnering with private universities also exist in the area of scholarships (loan scheme) though this cut across few chartered universities (MoES, 2012, 2013). Mugabi (2012) also reports of tax breaks only available in private non-profit universities. The great challenge of funding still remain in private universities, and this has affected recruitment of adequate human resource, provision of adequate resources and facilities to ensure quality education and contribute to national development.

Despite the benefits and current initiative of PPPs in education system in Uganda, the utilization of this approach as a financing option still remains comparatively low in private universities. In this paper we, therefore, attempted to explore the prospects of mobilizing financial resources through PPPs by private universities in Uganda. The specific objectives were to: identify opportunities for mobilizing financial resources through PPPs and explore conditions necessary to effectively mobilize resources through PPPs by private universities.

2. Methodology

This paper employed the qualitative research approach using the descriptive design. Both primary and secondary data were collected. Primary data were collected using interviews with experts in PPPs and secondary data relied mainly on document reviews. Purposeful sampling strategy was adopted to select the participants in this study (these included: practicing academicians in the area of PPPs and key stakeholders in private universities. Data analysis was carried out by coding, categorization and thematising.

3. Findings and Discussions

Opportunities for private universities to mobilize financial resources through PPPs

Participants being experts in PPPs were asked if there was any possibility for private universities in Uganda to mobilize financial resources through PPPs. There were various views indicated by participants which are presented as follows:

Participants observed that private universities were playing a critical role in education provision; however, they were faced with many challenges which rotate around having inadequate funding. These included: poor payment of salaries, insufficient facilities, incompetent and inadequate academic staff, poor research capacities which affect quality and make them not compete favorably with public institutions.

They supported the ideas of PPPs being adapted in private universities by noting that according to National Council for Higher Education (NCHE), chartered private universities are assumed to have satisfied the requirements for running as universities. So the government should partner with private universities for program and student off load to private universities and pay tuition for students in those universities since students belong to government. One participant noted "why should public universities suffer with big numbers [of students] when there are private universities which can ably take on students".

Participants revealed out that there are many opportunities available for private universities to partner with government. They highlighted the possibility of private universities for arranging and securing needed facilities from public universities at a fee in areas where they have shortages. They supplemented by noting that because of the financial crisis, private universities would take time to have their own facilities.

They also pointed out that there should be an arrangement with public universities to get staff who have minimum load in public universities and that these staff be allocated to teach in private universities. The private university may probably meet allowance such as transport and feeding. One participant noted, "From my experience, some people [academic staff] have load in one semester and less than the required load in another semester". So such an arrangement could relief private universities of some cost, and helps them offset the academic human resource challenge they face.

Participants further observed that, universities can explore the PPPs arrangement where government through public institutions can organize seminars and presentation from experienced professors or distinguished researchers at some specified time (e.g. twice in a month or semester) to help academics in their teaching and research roles. This is because “private universities are limping” and need to be helped, one participant commented. It is also an indirect way of financing research or teaching activities. This view by participants is similar to capacity building which Cheng (2009) and Odekunle and Babalola (2008) revealed as a practice of PPPs in other countries.

Another participant proposed a possibility of government, giving subsidies on essential inputs such as computers, laboratory materials, vehicles, among others because the operating costs are high. However, this should be done provided that money exempted as tax is channelled to cater for pedagogical issues of learners. Cheng (2009) had also noted tax incentives as practices of PPPs in Indonesia.

One participant observed that there are many secondary school teachers who have masters’ degrees and are on government payroll. This participant suggested that PPPs can also be explored in that area by deploying such teachers to private universities with human resource gaps and they continue to earn a salary. On this very issue another participant observed that, “the issue of salary is good because one is sure that a monthly salary will be made”. Further noted on this same issue was that, the government could think of paying salary to key staff in private universities such as: professors and top administrators since they were not many and yet they played critical roles in contributing to university education. Yet another participant had this to say on the issue of salary, “Students are starved because staff members are not of high caliber. This is because private universities cannot pay well staff and go for cheaper human resource”. This was in line with Cheng (2009) who had highlighted the appointment of teachers with higher degrees in private institutions as PPPs practice.

Participants also indicated that the government could also partner with private universities by directly financing the priority strategic areas which are in short supply; for example, Medicine, Science, Engineering and Technology. This is because such area contributes to national development irrespective of whether students are from private or public universities.

Further revealed was that, the government need to partner and strengthen the already existing private universities than establishing new ones in an agreed arrangement. Participants gave an example that such arrangements exist in government aided secondary schools like Namily ango College, Gayaza High (etc) and that these schools are best in the country because of this arrangement. The management is good; schools are aided by government which reduces on financial burden. One participant commented that University education is expensive and this has made public universities to continually perform better than private because government has more funds than private providers. This very participant went to lament “how long will government turn a blind eye on private universities and yet endowments are inadequate”.

Another possibility raised by participants was that government should have the modality to train staff or build capacity of existing staff by paying for them to pursue higher degrees at masters and PhD levels. However, they observed that some conditions should be attached that after completion, one is bound to work in the institution for a specified period of time before thinking of quitting. Closely rated was the idea of mentoring human resource in private universities by public universities which the participants pointed out. They stated that public universities attracted better human resource who could mentor staff in private universities at free of subsidized rates.

Participants revealed the possibility of government to establish resource centers where all students regardless of the university one comes from and can access and use the available resources in the center. These centers can host experienced researchers who could help students where there are gaps, and offer facilities needed by users. Such provision is indirect financing to universities which can help to cut down costs.

Students be accommodated on government sponsorship but be made to study in private universities and government pays for their accommodation or pay for government student accommodation who may be residing in private hostels.

Participants noted that there are several opportunities of PPPs which private universities can explore which are beneficial to them. They pointed out some of the benefits as: (1) private universities will help government to pursue its course in terms of relevancy and quality. Quality should be a concern of government because education is a public good. This can attract international students who would bring in money as was the case with Kampala International University (KIU). One participant had this to say, “When foreign students discovered that quality had reduced [in KIU], they withdrew and the number of foreign students’ is continuing to reduce”. (2) PPPs can make non qualifying universities to work harder in an attempt to win government support. The proprietors of such non qualifying universities can capitalize, put in place required the facilities which boost society’s confidence in institutions. (3) Once government is willing to pay salaries for academics in private universities, one participant noted that, “PPPs will encourage people to join academia to weed away fake academics in private universities”. This very participant gave an example of Universal Primary Education (UPE), a program where the government is fully in charge as having good teachers appointed and paid by government though inadequate.

Conditions Necessary for Private Universities to Have Successful PPPs

Our second objective attempted to explore the conditions necessary for successful PPPs for private universities. On this objective, participants supplied the following responses:

PPPs have legal dimension and implication and therefore legal issues have to be streamlined. Private universities have so many stakeholders (board of trustees). This means there is no sole owner; instead ownership is vested in different stakeholders. This need streamlining by having the person to deal with and this has legal implications and require signing a memorandum of associations which stakeholders in some private universities may even refuse. It was noted that, willingness of private universities to partner with government, partnering skills, transparency in all their transactions, and proper and timely accountability are key to successful PPPs. Cheng (2009) observed that successful PPPs require formulating an inclusive policy framework where the private sector has an active role to play. This is further supported by Ismail, (2013), Cheung, Chan, Lam, Chan, & Ke, (2012) and Chan, Lam, Chan, Cheung, & Ke, (2010) who observed that, adequate legal framework is key for successful PPPs. This therefore necessitates regulation to legitimize the position of private institutions.

PPPs call for high level of commitment and good will of government. Government should indicate that they will finance or support universities and actually do so. In most cases there is a dilemma between what is promised/commitment and what actually is implemented. This may also depend on the availability of resources by government. Government is always faced with inadequate funds and may have other priorities to fund than engaging in PPPs with private universities. This is in line with Ismail (2013) who noted that commitment of the public and private sectors as another key for CSF for PPPs.

Profit oriented private universities need to relinquish their powers and allow government to influence what they do by allowing power sharing to create a win-win situation. Government should have the mandate to appoint the vice chancellors and council board. This has to be done to ensure that both the interests of government and proprietors are respected.

PPPs success also will depend on the credibility of universities. PPPs can only work in universities that meet the basic requirements like infrastructure. One participant observed that, “some universities are like secondary schools, they do not meet the requirements of a university in their goals. So partnering with such universities will not add much”.

The possibility of staff that may have less load being allocated load in private universities need the cooperation and willingness of the heads of units in public universities to allocate staffs who are under loaded to private universities. A participant revealed that, “there is micro politics where staff may not be allocated as they will associate it with getting extra allowances and staff who may not easily be released.

PPPs can successfully work when universities appreciate the role each is playing and look at each other as partners in providing education; otherwise the competitor aspect spirit may make universities unwilling to help each other. This is in agreement with what Cheng (2009) observed, public universities should see private universities as partners in education provision.

4. Conclusion

The current challenges and especially inadequate financial resources have led to the possibility of many institutions globally to use PPPs as collaborative efforts between private institutions and government to lessen the financial burden. In this study, we have argued that private universities in Uganda have minimally embraced PPPs yet they are faced with many challenges. We propose that private universities should embrace the possibility of using PPPs and partner with government since opportunities are available in the country. Though it has been noted that PPPs have risks, potential benefits also exists which can make institutions expand access and improve on quality provision. Therefore, the government of Uganda should revamp quality in higher education since the state cannot adequately provide HE. This is because education is a public good and private sector is a partner in expanding access to HE. Thus, the government should support to partner with private universities, devise measures to improve the quality of education provided in both public and private institutions and at the same time private universities should also be willing to partner for this noble cause. This study took an interpretive approach using few participants which might have limited the findings. So, further studies in this area using approaches which call for more samples could be used to explore more into the area. Despite the limitation, we have made useful contribution in suggesting the possibility of private universities in using PPPs and exploring conditions necessary for successful PPPs.

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