Higher Education, Privatisation and State Involvement: The case of Mauritius

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ABSTRACT

The development of higher education is high on the agendas of countries across the world. The link between the development of higher education and economic growth is becoming clearer for developed, developing and emerging economies. In Mauritius policies for the higher education sector are set within the broad political framework for tertiary education i.e. the general post-secondary sector which excludes the TVET (Technical and Vocational Education and Training). Growth in the field of higher education has been quite slow in the first decades after the creation of the first public university. However the situation started to change with the policy focus on access, the creation of new public funded Tertiary Education Institutions and the arrival of new stakeholders involved in the delivery of tertiary education. To respond to the needs of the country for higher education, The Government of Mauritius is aiming at a mass higher education system with an enrolment rate of over 70%. The public-funded institutions alone will not be able to help the Government achieve this objective. The contribution of the private providers is essential. A decade ago, reports on participation in tertiary education hardly speak about the contribution of the private providers. However recent reports from the Tertiary Education Commission indicate that privatisation has now moved from a peripheral position to form part of the core of the delivery of tertiary education in Mauritius. The political as well as the legal framework has tried to adjust to the changing tertiary education landscape in Mauritius. However the relationship between the state and privatised higher education is an ambiguous one. The aim of this study is to examine the articulation between the political discourses in higher education and state funding policies with a focus on the situation of the students following higher education courses in private institutions in Mauritius. With a case study approach based mainly on analysis of policy documents and secondary data, the relationship between the state and privatised higher
education will be examined. The research is informed by the literature on higher education, privatised higher education and funding in higher education. The study attempts to give the perspective of an independent researcher who is involved in the delivery of higher education programs in a public-funded institution. The tension coming out from this position is discussed. It is expected that the study will throw light on a relevant model of state involvement in higher education and privatisation in Mauritius.

**Keywords:** Higher education, privatisation and state funding

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1 **INTRODUCTION**

The island of Mauritius became independent from British colonial rule in 1968. From a monocrop agricultural economy, the country went into diversification successfully and has now moved from a low income to a middle income economy. Following the independence of the country, all plans for development converge towards the democratisation of the educational system and emphasise that educational reforms would be made to meet the socio-economic needs of the country. Subsequently, there have been major developments in education namely in the primary and secondary sectors where education is free. Growth in the higher education or tertiary education sector has been quite slow in the post-independent era and it is only during the last decade that rapid changes have taken place in this area. In Mauritius policies for the higher education sector are set within the broad political framework for tertiary education i.e. the general post-secondary sector which excludes the TVET (Technical and Vocational Education and Training). Higher education (or tertiary education as it is called in Mauritius) is more and more perceived by policy makers as being a key driver for the future development of the country as it is in developed, developing and emerging economies. The Government is targeting a gross tertiary enrolment rate of 72% by 2015 to achieve its policy objectives (MoTESRT, 2012). However the achievement of such an objective and longer term ones needs to take into account the special features of the tertiary education landscape and the general framework within which the development of the sector will take place in future.
2 TERTIARY EDUCATION AND THE STATE
Access to higher education in Mauritius was limited both quantitatively and qualitatively (the University was, at first a College of Agriculture) when the first University of the country, The University of Mauritius was created. In 1969, there were over 2,600 students following post-secondary courses abroad (Ramdoyal, 1977). This was limited to those who were able to benefit from scholarships and those who could afford to pay for studies abroad. Distance Education provided some possibilities for enrolment degree programs through the external degree of the University of London. However, things began to change in the 1980s following the expansion of the University of Mauritius. Policies on higher education in Mauritius became more structured following the creation of the Tertiary Education Commission (TEC) in 1988. TEC as per its Act was given the mandate for planning and coordinating the sector for an optimum use of resources. The legal framework for the sector went through changes when the TEC Act was amended in 2005 with TEC given explicitly the regulatory function for all post-secondary institutions in Mauritius. Originally only public-funded institutions were under the regulatory control of the Tertiary education commission. However the situation has now changed with the expansion of the system which includes public-funded institutions as well as private ones. A major change in the whole tertiary setting took place in 2010 with the creation of the Ministry of Tertiary Education, Science Research and Technology (MoTSRT) which now defines the strategy for the whole sector. As at the end of 2011, seven public-funded Tertiary Education Institutions, PFIs fall under the purview of The MoTSRT. Other three institutions attached to the Ministry of Education and the Ministry of Health also form part of the system. Apart from four institutions having the status of regional providers and 59 private providers are operating within the sector (Mohadeb, 2011). Figures related to students studying abroad as well as those enrolled directly with some foreign institutions for distance education are also considered as pertaining to our tertiary education sector. As at December 2010, the public-funded institutions have 21,766 students enrolled in their programs and this is only half of the total number of tertiary education students during the same period. The private providers are playing an important role in the development of the sector. Our tertiary education system is moving more and more towards privatisation and marketisation for the state no longer has the monopoly regarding the provision of tertiary education in Mauritius.
3 THE PROBLEM
The study originates from my interactions with potential learners of the tertiary sector. I found that some of the students cannot access tertiary education when they are unable to join a PFI owing to the limited number of seats or the programme they want is not available. Private institutions sometimes offer solutions. However sometimes lack of financial resources deter them from enrolling in a tertiary education course for they say they cannot afford to pay the fees. The issue of access and financial resources has led me to the following research questions in relation to privatised tertiary education:

What are the state’s expectations from these institutions? Compared with public-funded institutions, what is their relationship with the State? Do students in private institutions benefit from state funding indirectly?

4 AIM AND RATIONALE
The aim of the study is to explore the relationship between the State and privatised tertiary education through the articulation between policies related to the sector and state funding with a focus on the situation of students following courses in private tertiary education institutions.

The rationale for the study is the mismatch which seems to exist between the importance given to higher education for social and economic reasons and the funding policy of the Government which does not benefit students in the private institutions. This research locates itself in the worldwide debate on the funding issue of tertiary institutions.

5 GENERAL METHODOLOGICAL APPROACH
A case study approach has been privileged since the private tertiary education system in Mauritius functions as a “bounded system” (Stake, 2008). Furthermore this approach stresses “developmental factors” which gives the possibility of seeing the evolution of the case as highlighted by Denizen & Lincoln (2008). The constraint with the choice of a case study approach is the difficulty of generalising the conclusions of this research. Generalisability was not my objective since I wanted to study the specific case of Mauritius which is quite different from other sub-saharan countries. The construction of my understanding of the nature of the relationship between the state and the private providers has been done through the analysis of state’s documents and through information gathered on Government website
and the websites of some of the private providers. For two main reasons, I have adopted this desk-based approach:

(1) for convenience
(2) to minimise “bias”. As a member of the staff of a PFI exploring the situation private providers, there is a risk of seeing them as competitors within the context of the study and construct reality through the lens of a rival. I prefer to take the standpoint of an independent researcher rather than that of a stakeholder.

The main limits of the study are:

(1) one aspect of private provision is explored i.e. I have not focused on overseas students though they contribute to the whole privatization of tertiary education movement.
(2) the Open University Act was not proclaimed when I started this study and its future impact has not been taken into account here.
(3) perceptions of stakeholders have not been sought. However secondary data and data obtained through documents were rich enough to inform my study.
(4) only one major political discourse and a secondary one associated with it has been explored i.e. the discourse of access and the discourse of achievement/participation
(5) the issue of fees is a sensitive one. Websites of private providers and sometimes even prospectuses do not give this information. I had to call a few organizations in order to have an idea of the situation.

6 OVERVIEW OF THE LITERATURE
There is no coherent body of knowledge in the field of higher or tertiary education to explain the nexus of the State and privatised higher education. Several threads are linked with this relationship. However this issue is discussed in the general literature on state funding of higher education as well as in the specific literature on privatised higher education. Teferra & Altbach (2004) through an overview of African higher education distinguishes between secular and sectarian private institutions. The religious-based institutions rely heavily on the funding coming from the founding religious organizations. On the other hand according to Teferra & Altbach (2004), the secular providers rely in general on student fees to generate revenue. Though most Governments in Africa do not fund private higher education, there are
exceptions such as the case of Liberia, Togo and Mozambique where private provision is subsidised.

According to Johnstone (2009) Trends in financing higher education are influenced by complex factors:

1. the country-specific context
2. global politics
3. worldwide ideologies
4. fiscal austerity faced by all countries

For Knight (2009) also, context seems to be a determining factor.

The overarching concept used to discuss about the model of state intervention in relation to funding and privatised higher education is the cost sharing approach which could impact on access as well as equity and quality depending on approach adopted (Pillay-2009; Johnstone - 2009). The literature indicates that to sustain the high costs of higher education, countries across the world are using cost sharing which is based on a shift towards a greater share of the cost of education from Government to parents and/or students Other studies have focused on specific aspects of cost-sharing namely the student loan schemes (Mohadeb, 2006; Ishengoma 2004).

In fact, the literature on financing higher education in general gives the theoretical background for analysing one key aspect of the relationship between the state and privatized higher education.

7 PRIVATE PROVISION

Privatised higher education has several dimensions namely all non-state stakeholders involvement in financing of the sector. Narayana (2006) based on Belfield & Levin (2002) identified three forms of privatization of education: (1) increasing private provision (2) raising private funding (3) enhancing private regulation, decision making and accountability.

In Mauritius, this may include higher education of Mauritian students abroad, facilities given by industries to train higher education students during the course of their studies, funding of research or other educational projects through CSR funding. Privatisation within the context
of this study refers to “increasing private provision” and it focuses by on tertiary education delivered by private institutions.

As in many countries, the push for privatised higher education has been a lack of tertiary education supply to meet the emerging needs for the development of manpower resources Varghese (2006).

Two broad categories of private providers operate in the Mauritian tertiary education landscape. There are:

(1) the non-profit providers.

(2) the for profit providers. In this category there are local providers as well as branch of foreign institutions operating in Mauritius

They all aim at providing access to education. However as per data gathered from their websites, the focus of the mission of the non-profit providers focuses on social rather than on economic outcomes. Most of them offer a flexible mode of delivery with the use of distance education. Only three of them have the status of awarding institutions. They offer their tertiary education programs under the regulatory framework of TEC. As such they need to offer recognized programs only and provide adequate support facilities to students. They enjoy a certain autonomy compared with the PFIs which are bound by administrative rules and regulations for public bodies. In fact the development of private provision in Mauritius has brought more dynamism in the whole tertiary education market where potential tertiary education students have been given a wider choice. However this choice is limited to a certain extent as we are going to see.

In 2000 only 34 private providers have been operating in the tertiary education sector, the number of providers has rose 59 in 2011 (Mohadeb, 2012)

8 POLITICAL DISCOURSE: ACCESS TO TERTIARY EDUCATION

Several political discourses are related to privatised higher education namely the discourses related to increasing “access” or “participation”, “the knowledge hub”, “the internationalization of higher education” “open & distance learning” and “improving quality”. All these discourses are intertwined and for the purpose of this study, I have tried to single out the policy of “increasing access” which appears as a leitmotiv in the political discourse related to tertiary education. All the strategic plans for the sector have been
emphasising the need to provide more access to tertiary education. TEC’s strategic plan for the sector insists on the “pivotal role” that is expected of post-secondary education in relation to the “new economic configuration” (TEC, 2007, p1). A holistic approach of the sector is adopted as far as expectations are concerned though the need for diversity is acknowledged. In 1998, TEC did not see private provision of tertiary education to be important enough to be mentioned as one of the avenues to “improve student access to tertiary education” (TEC, 1998, p7). The strategic focus at that time was on the PFIs. The situation evolved and the publication in 2005 of The Knowledge hub indicates that policy-makers were including private provision in their strategies. Private investment is seen as being important for the development of the “Knowledge hub”. Through the 2007-2011 plan, TEC identifies the need to encourage “greater participation of local private providers and affiliates or branches of overseas institutions in the provision of post-secondary education” to help in achieving the objective of transforming Mauritius into the rank of developed countries (TEC, 2007, p8). It must be emphasized that though the economic agenda was a priority in the policy documents for the sector, social considerations were not absent. TEC’s Strategic plan 1998-2003 spelt out that the tertiary system should fulfill “the educational, cultural, social and economic needs of the Nation.” This is echoed in The Education & Human Resources strategy plan 2008-2020 where “access” is associated with the need to “ensure equity”. (MOECHR, 2008). Among the sector’s current strategic choices as defined on the MOTERS’ website, the objective of having one graduate per family indicates a focus now to increase access for equity and all the TEIs are expected to help in achieving this objective. This bold policy does not speak about constraint in relation to the sustainability of the economy. This trend in the tertiary education policies towards social consideration is ever present in the budget speeches where Government annually spells out its social and economic policies. The move here also has been from the utilitarian function of tertiary education towards its social function. These speeches have the same inclusive approach towards private provision i.e. there is only one tertiary sector to increase access towards tertiary education whilst ensuring equity. The 2007-2008 budget speech points out that the vision of the knowledge-based economy will internationalise our tertiary education sector and “broaden the opportunities of our children to have access to Tertiary education” (Budget speech 2007-2008). In the 2008-2009 budget speech, the creation of the Human Resource Development Knowledge and Arts Fund was announced to strengthen the policy of access to tertiary education and this fund aims at providing Government guaranteed loans to potential tertiary educations students pertaining to
low-socio economic groups. The 2010 budget speech indicates the equilibrium reached as far as the social and economic imperatives are concerned:

“The role of education can be viewed as a service to society, to ensure upward social movement and as a source of the knowledge and expertise required for developing the economy” (Budget speech for 2010, p 25)

In fact the policy discourse of access to tertiary education has an inclusive approach towards all tertiary education institutions which are expected to help Government in achieving its strategic objectives for human and economic development.

9 POLITICAL DISCOURSE OF ACHIEVEMENT: PARTICIPATION IN TERTIARY EDUCATION

Achievement of the sector in relation to access to tertiary education is announced in the reports on participation in Tertiary education where information is given on enrolment rate in the whole tertiary education sector. The program-based budget estimates 2012 refers as to the increase in GTER as one of “major achievement” (MoFED, p395) and increase in GTER is used as one of the major priority for the Government. Details on public-funded institutions, private providers as well overseas students are given in TEC’s reports on participation rates. These students are in general self-funding ones. Consequently, private funding of our tertiary education sector includes both private provision in Mauritius as well students studying overseas. In the table below, figures on participation rates in PFIs are opposed to figures for private funding of tertiary education in relation to GTER. Since 2002, the state has been dependent on private funding to achieve its political objective of increasing gross tertiary education enrolment for since that year more than 50% of our tertiary education students were enrolled in a non PFI in Mauritius. From this, it is clear that tertiary education is not free in Mauritius as it is often asserted for the majority of tertiary education students in Mauritius are self-funding. Private tertiary education has moved from a peripheral position to the core of our tertiary education provision. As indicated in the table below, private funded provision of tertiary education has contributed more than PFIs in the increase of GTER during the past decade.

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<tr>
<th>PARTICIPATION RATE IN TERTIARY EDUCATION</th>
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**Source:** Data compiled from TEC, Participation reports 2001-2010

- For 2005, TEC’s changed the base for calculating GTER and used the 20-24 age-group instead of the 19-24 one.

**10 THE STATE AND THE TEIS - (PUBLIC & PRIVATE) - THE FINANCIAL LINK**

The Tertiary Education Commission as per the consolidated TEC ACT 2005 has the power to receive funds from the Government, raise funds as well as to allocate funds for the provision and development of Tertiary education. According to the same Act, TEC has a control over the management of funds given to the public funded institutions which are under its purview. The allocation of funds is based on the Programme based budgeting approach with agreed targets set for the sector. Funds are allocated for capital as well as recurrent budgets. From 2007-2010, Government grants have been increasing sharply as indicated in the table below:
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<td>Recurrent grant</td>
<td>749.0</td>
<td>890.0</td>
<td>1,279.5</td>
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<tr>
<td>Capital grant</td>
<td>40</td>
<td>57</td>
<td>196.1</td>
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**Source: TEC Annual Report and Accounts 2009-10**

As per Government policies, during the periods mentioned in table there has been much expansion of the sector which correlates with the increase in Government grant. However Government investment in the sector has helped in expanding the public sector only since there are no Government grants for the private providers. However investment by the private providers has continued to increase during the past years with the growing number of private institutions. According to Mohadeb (2012), in 2011 Government funding for the sector was Rs 1.2 billions while private sector investment amounted to Rs 5 billions.

### 11 ANALYSIS OF POLITICAL DISCOURSE /COST, STUDENT’S ACCESS AND EQUITY

As we have seen earlier, political discourses have laid emphasis on access to tertiary education to meet economic and social development and the political discourse of “achievement” is linked to the increase in GTER. Recent administrative measures have been taken by Government to increase intake at tertiary level namely the offer of foundation courses by PFI s, the possibility of admitting students on the basis of recognition of prior learning and provide flexible entry requirements for the admission of mature students.

There are no subsidized fees for postgraduate students in public as well as private institutions. Fees for undergraduate studies vary from institution to institution in the tertiary education sector. With the help of The Government grant, the public funded institutions’ fees are in general quite low compared to those in the private institutions. The for-profit private providers offer in general programmes at a higher fees level compared to the non-profit private providers. Among the PFI s, tuition fees only are free at the University of Mauritius for most of the undergraduate programs while the other PFI s fees vary from institution to institution but are in general less than the for-profit providers. Teacher training is also heavily subsidised by Government. In fact Government subsidies have a direct impact on fees level. It must be emphasised that the Business school of the UoM charges fees though it awards UoM degrees since it operates within the set up of a trust. This strategy of having free and paid courses within the same institution is the double track tuition fee approach and it is used mainly by institutions to raise additional funds in order to fund rising operation costs. Cost
sharing is being applied to a certain extent within the UoM itself for students are paying fees for some undergraduate programs. This document based inquiry cannot give the necessary data to explain the variation of fees but programs awarded by European or Australian foreign institutions are on the whole quite costly. Furthermore market forces could also have an impact on level of fees. The variation in fees could be perceived as an absence of a level-playing field if viewed from the perspective of the private providers. It is beyond the scope of this study to confirm this. However from the potential learner’s perspective, level of fees could be a barrier to access to programmes. The student who chooses a course in a private institution could benefit from scholarships offered by private institution (these are quite limited) and loan facilities from commercial banks Let us examine the scenario of a student wishing to study in Mauritius a law degree i.e. the LLB degree. The only PFI offering this degree is the UoM where tuition fees are free and seats are quite limited. Very high grades are accepted for this program. As per UoM website, students with high grades are admitted for the LLB degree. The average student does not have a chance. This particular student then has the choice of studying for this degree in private institutions which offer degrees of British institutions and the fees in general are not less than Rs 300,000 (depending on the foreign exchange rate) for the whole program excluding the cost of books and other additional expenses. The maximum fees for the LLB program in Mauritius is Rs 660,000. Obviously facilities offered vary from one provider to another. There is also the option of going abroad and the fees for an LLB at a British University are about Rs 1.5m. Most probably, the student or his parent will have to pay for the fees. He will not benefit at all from the state investment. He could benefit from facilities offered by HRKDAF. However, there are strict conditions and eligibility criteria. Only those students whose parents cannot guarantee a loan of Rs 150,000 are eligible for the Government guaranteed loans. Needy students have scholarship facilities. However the scholarship provided by the HRKADF is limited only to those whose family income does not exceed Rs 10,000. According TEC annual reports and Accounts 2009-10, less than 1000 students have been recommended for scholarships. This is quite a low percentage of the total enrolment figures in the sector for the same period. On the other hand, we could say that without his own private funds, he would not have had programmatic access to the program he chooses to do.

Loan facilities exist but the return for investment is not guaranteed and the risks associated with the loans could deter the students from seeking enrolment in a tertiary education institution. Furthermore rates of interest and conditions vary for students loans in commercial
banks. The Governmental organization, EWF provides loan facilities at a lower rate than the banks. The Human resource development council used to provide financial support to students who were employees and who were following the final year of their first degree or Masters degree program. It was a refund amounting to 20% of the course fees. Unfortunately, as from this year that is 2012, HRDC has discontinued in the provision of these facilities.

In fact there has been a regression of state funding in relation to facilitating access to tertiary education through funding. Student’s loans are indirectly a form of cost sharing where later on his own private funds will be used for repayment and the variations of conditions and rates of interest indicate that there is an absence of a centralized approach to students’ loans. In fact potential students for tertiary education have hardly any access to state funding if he chooses private education. As per Johnstone’s (2006) typology of forms of cost-sharing, Government has moved to three main forms of cost sharing i.e (a) reduction of students’ grants (removal of HRDC refund formula) (b) payment of fees by students in PFIs (including some of the UoM students) (c) the official encouragement of a tuition-dependant private tertiary education system (d) A major shift of the cost of studies from public funding to parents and students (Overseas students and students in private institutions). The table below gives a rough picture of the situation discussed above:

<table>
<thead>
<tr>
<th>PFIs</th>
<th>HIGH LEVEL OF GOVERNMENT FUNDING</th>
<th>INDIRECTLY SUBSIDISED FEES</th>
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<tbody>
<tr>
<td>PRIVATE (for-profit providers)</td>
<td>PRIVATE FUNDING</td>
<td>NON-SUBSIDISED FEES</td>
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Through such an approach to state funding of the sector, there seem to be inequity in relation to access to tertiary education for fees could be a barrier to students pertaining to low socio economic groups though other factors such as secondary education grades could have an impact on the possibility of access to tertiary education. The policy discourse is moving more and more towards social priorities but the current cost sharing model is causing inequity for the state has a differentiated approach in funding tertiary education.

**WHAT HAS THE STUDY REVEALED?**
• The political discourse of access to tertiary education is moving towards more equity in the system than before.

• The cost sharing approach to the financing of tertiary education could be a limit to access and equity and this is incompatible with the trend in political discourse which focuses on economic growth as well as equity with the policy of one graduate per family. The disparity in public funding between private and public institutions could be perceived as an absence of a level playing field in the market.

• Contrary to assertions in some research, education is not free at tertiary education level. The student in the private institutions does not benefit at all from state funding in higher education.

• The double track tuition fee approach within the University of Mauritius indicates a move towards cost sharing in the lead public funded institution.

• There is not a linear relationship between state investment in tertiary education and total increase in participation rate as the Program Based Budgeting statements infer. Consequently the general approach of the PBB to ensure efficiency could be questioned.

• There is an absence of a centralised student loan scheme.

**12 CONCLUSION**

In fact the model for financing higher education in the Mauritian context on the whole should focus on affordability as well as increasing provision in relation to the policy of access. This could give way to a more coherent relationship between privatised tertiary education providers and the state which is dependent on them to achieve strategic objectives. Decision-making should take into account the return on investment through social and economic benefits for the country: A large scale research on students’ perspective on the level and payment of fees could throw more light on the subject.

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