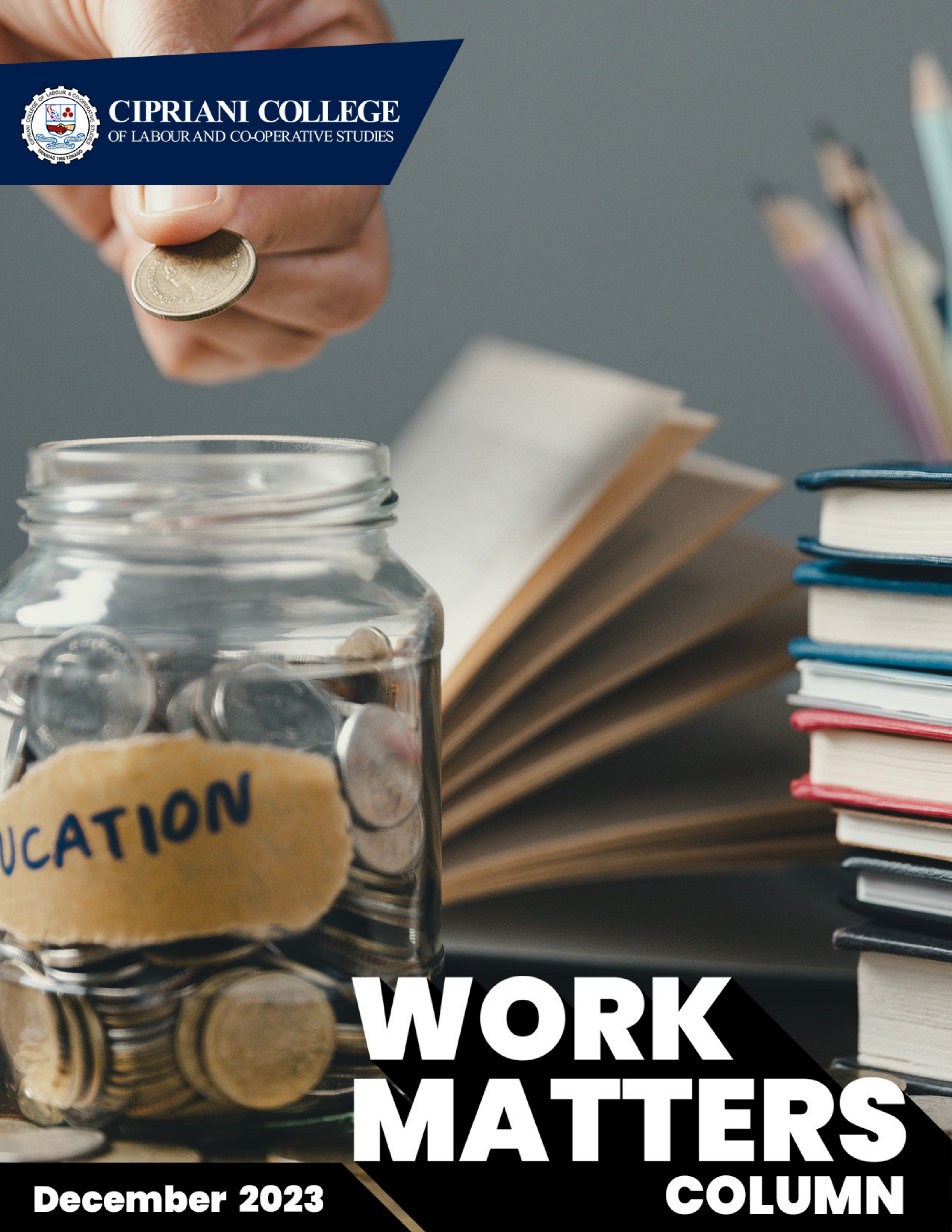
CIPRIANI COLLEGE
OF LABOUR AND CO-OPERATIVE STUDIES



WORK MATTERS COLUMN

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Rethinking Tertiary Level Financing in Trinidad and Tobago

With deficit national budgets being the new normal in Trinidad and Tobago rather than the exception, the Government cannot afford to fully fund public sector tertiary schools under the premise that education is a public good where it offers intangible benefits of student preparedness for the global working environment. Whilst that is true, Caribbean governments must balance their national priorities as they relate to food security, health, infrastructure, employment and national security. Furthermore, there are other earlier outputs from the educational process such as early childhood education and primary and secondary schools which also require funding. The outcomes of declining energy revenues and wider external shocks are clear with declining government subventions to publicly funded tertiary institutions, and the restructuring of the GATE programme with means testing and pursuance of cost-sharing models by institutions, students, parents and the state. Whilst earlier Caribbean researchers detected this trend almost a decade ago, the time has come for institutions to aggressively rethink their entrepreneurial activities in reducing costs and generating sustainable income to remain true to their mandate and strategic priorities of quality education for all, inclusivity and excellence in teaching and research. If they are unable to do so, their existence will be short-lived, our Caribbean youth will not be engaged for 21st century demands and regional agendas for specific labour market skills and economic development will not be realized.

The prevailing austerity climate calls not for further cost retrenchment, but for innovative ways to stimulate cash to finance operating expenses, shrug off legacy liabilities and then to think about longer term savings and capital education investments. Institutions have already responded to this call by setting up business development centers to attract research grants and endowments, engage in commercial operations, fund raising events and private sector alliances. Additionally, institutions must embrace the fact that private sector entities also face high operating costs and collapsed revenues, and so may not want to spend on staff training. Therefore, tertiary education institutions must re-ignite the need for specialized training as the conduit for improved business methods and products as one way for companies to secure revenue and achieve their public mandate for training. Whilst unpredictable and cannot always be accurately represented in an institution's budget, these initiatives must be further leveraged.

Notwithstanding that the government has restructured the GATE programme seeking to align financial support to those who are really in need, there are other supporting state roles in steering a cost sharing model for tertiary education. Additionally at the institutional level, performance-based budgeting should be considered where institutions are able to access funding bonuses or increments in achieving particular targets for research revenue, enrolment and national labour needs. In this way, institutions are motivated to secure funds for capital investments such as on-line education and infrastructure in meeting their education agenda. Furthermore, the state should offer incentives for private banks and credit unions to offer students loans and graduate tax systems where students can secure reduced interest rate tuition loans which can be repaid post-graduation. In this way, the cost of tertiary education is truly shared not only by students, parents and institutions, but also by the government both as a grant provider and as a policy maker to stimulate tertiary level financing. Equally important in this call of rethinking tertiary education financing is the need for shared accountability by all parties not only in terms of value for money, enrollment, graduate statistics and labour market needs, but the social good of education inclusive of providing opportunities for marginalized students in our society.

Without a doubt, the urgency for institutions to become sustainable in a volatile environment within rising instruction delivery costs calls for a new kind of leadership. Whilst participative leadership towards steering staff and stakeholders in a shared direction has its merits, institutional leaders, as accounting officers, must accelerate toward resilience. The situation calls for an ambidextrous type of leader, one who can exploit existing markets, people, and resources in existing markets, as well as explore the space for new niches via observing, risk-taking and stakeholder-building. The private sector should not abdicate their social responsibilities in providing funding and scholarships as they also benefit from the quality human capital produced. As such, cost sharing in financing tertiary education must look beyond the state, schools, students and parents but also the private sector and wider society in preparing our future workforces. To be frank, financing tertiary education should be considered a shared responsibility with shared accountability. Whilst there are many areas of educational reform such as inclusive education, quality and accountability, perhaps the trigger for them all is rethinking how to finance tertiary level education in a waning economy. The state cannot do it alone.

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