



10 Things to Know About Financing University Education in Jamaica

1



Quality tertiary education is essential to any society that aspires to be productive in the 21st century. In Jamaica, inadequate and inequitable access to tertiary education is among the major developmental challenges. The most important provider of higher education in Jamaica is the University of West Indies (The UWI). However The UWI is facing serious funding shortfalls that threaten its viability as an institution of higher learning.

2



Financial constraints are thought to contribute to Jamaica's relatively low participation rates in tertiary education. However, fully subsidized tertiary education would not be appropriate for Jamaica, and it could even worsen equitable access if financial constrains force the government to restrict the number of students accepted free of charge.

3



Fees are not the main factor hindering students from disadvantaged backgrounds accessing tertiary education. Living and other education-related costs, the income forgone while studying, and, most importantly, an underfunded and inequitable basic education system that ill equips them with the necessary skills to qualify for higher education.

4



Free tertiary education mainly benefits those who have been able to afford a high quality primary education. Yet all taxpayers bear the cost of educating the more privileged, bringing about a situation where low-income taxpayers, who themselves have a slim chance of attaining tertiary education, subsidise it for high-income students.

5



The Jamaican government cannot afford to support The UWI to provide a quality education to which all Jamaicans have equitable access, nor to increase funding from the current subsidy. Education already is the largest line item in the budget, and primary education, which is higher priority than tertiary with regard to developmental and equity goals, is underfunded, and so any increase in the budget ought to go there first.

6



International experience shows that increasing tuition fees to cover more of the cost of a quality tertiary education can be done without harming participation rates, and while preserving and even improving equitable access, with an appropriate student loan and grant scheme.

7



An income-contingent loan scheme is a suitable model for Jamaica, that could bring additional resources to The UWI, and increase access. Students would choose between paying their tuition upfront or deferring payments through the scheme. The debt would be recorded and linked to a student's Tax Registration Number (TRN). When the student graduates, or for other

reasons ceases studying, they would start making contributions, contingent on their income. The contribution would be collected by employers, based on the borrower's current income, just as are income tax and social contributions.

8



Among the factors that would contribute to the success or failure of such a scheme, the most important is that loan repayments can be effectively collected from emigrants.

9



The most effective way for the contributing governments to help The UWI to diversify its income sources is to support quality research. Tertiary educational institutions with strong brands and reputations are more successful in attracting additional revenue than those that are lesser-known. In order to build such a reputation, the university needs to excel in research and succeed in rankings.

10



International experience shows that the most successful revenue generation from the private sector has been fundraising from alumni, foundations, and corporations, specifically using matching fund schemes.

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