



PMRC POLICY ANALYSIS ON HIGHER EDUCATION ACT No. 4 OF 2013

**QUALITY HIGHER EDUCATION INSTITUTIONS; THE
BACKBONE OF A THRIVING SOCIETY**

Unlocking Zambia's potential

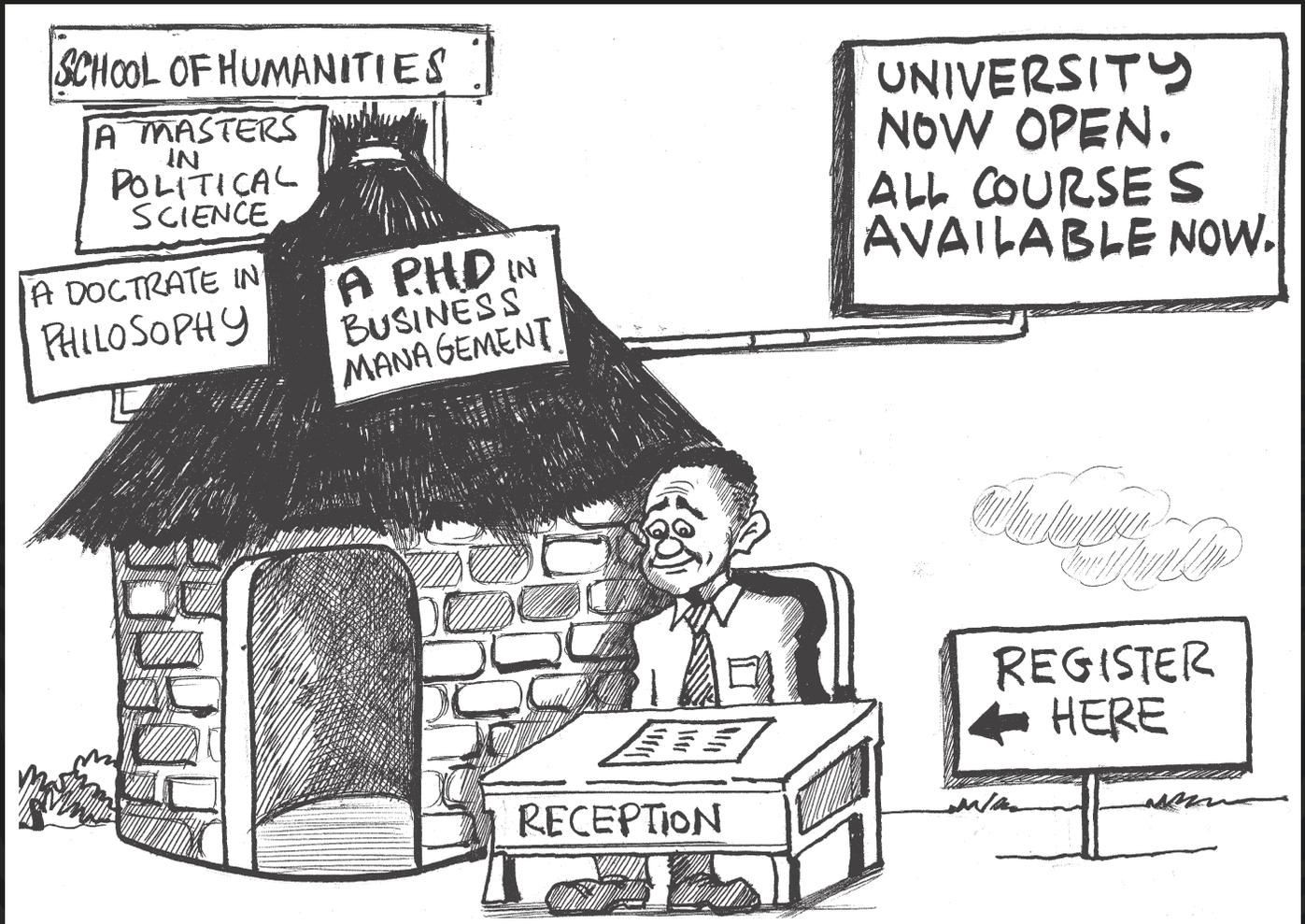
Message from PMRC

PMRC's vision is "Unlocking Zambia's potential". We recognize that it is only discussion and debate on social and economic policy issues critical to poverty reduction that ultimately leads to policy reform to support a robust and thriving economy.

We achieve our Vision by:

- Producing high quality, relevant and timely policy analysis, policy monitoring, and reform proposals
- Promoting and encouraging an informed public debate on critical social and economic policy issues.

PMRC POLICY ANALYSIS ON HIGHER EDUCATION No. 4 OF 2013



The Higher Education Act No. 4, 2013 was passed by the Government of the Republic of Zambia on the 21st March, 2013. The primary objectives as outlined in the Act are:

- To establish the Higher Education Authority to regulate higher education in the country;
- To outline the mandate, functions and powers of the Authority;
- To ensure that quality standards are met in higher education;
- To provide for the establishment of public and registration of private higher education institutions and to further provide for governance and regulation of higher education institutions;
- To repeal the Universities Act of 1999.

The Act consists of seven parts:

Part I - defines and interprets the key concepts within the Act.

Part II - addresses the establishment of the Higher

Education Authority, outlining its functions and powers (e.g. promotion of students' access, regulation of higher education institutions and promotion of quality assurance). This section also provides for the establishment of a Board of Authority and an inspectorate unit that will enforce the requirements of the Act.

Part III - sets forth the types of higher education institutions and their functions.

Part IV - provides the criteria for registration of private higher education institutions as well as penalties for infringement of the established criteria.

Part V - addresses the establishment of a Council for higher education institutions which will assure staff and student welfare, determine staff salaries and conditions of service. It will also manage other issues relating to governance, control and administration of higher education institutions.

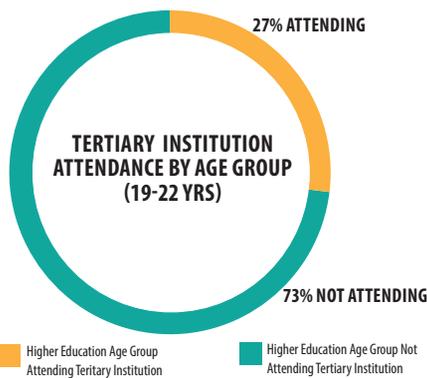
Part VI - addresses how other educational institutions can become affiliated to public higher education institutions as well as closure of higher education institutions

Part VII - states general provisions dealing with fees, offences and penalties.

PMRC views The Higher Education Act as an important step towards better regulation and quality assurance of higher education in Zambia. The Act addresses the critical aspects of (1) increased access to higher education and equity of access (2) regulation of higher learning institutions to ensure quality standards are met (3) creation of mechanisms for quality assurance in provision of the Higher Education (4) re-alignment of tertiary level curricula to suit industry needs and (5) development of policy on higher education. The Act will have a positive impact on economic growth, labour productivity, employment, income earning potential, poverty reduction, health and life expectancy. Enhanced regulation and quality assurance may also attract students from the region to study in Zambia, as a leading destination for academic excellence.

The Higher Education Act seeks to promote access to quality higher education and to increase equity in access through student assistance programmes. This is an important step as the Living Conditions Monitoring Survey (2010) shows that only 27.1% of those within the higher education age group (19-22 years) in Zambia are currently attending higher education institutions.

Figure 1 Attendance of Higher Education Institutions by 19-22 Age Group in Zambia



Adaped by PMRC from: Living Conditions Monitoring Survey (2010)

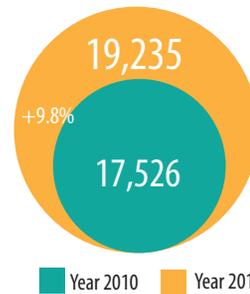
Similarly, of the 1.3 million youths who constitute the potential demand for tertiary education, higher education institutions can only absorb only 5,000 students¹. Zambia thus lags far behind in terms of meeting the demand for tertiary education. This is reflective of the challenge faced even on a global scale where “... of those 20 or younger, 30 million are qualified to attend university, but there are no places for them”².

Nevertheless, Zambia has, in recent years, made progress in expanding education access³ through converting some colleges into universities, allowing private sector provision of tertiary education and commissioning construction of new universities. This has led to a 9.8% rise in enrolment rates from 17,526 in 2010 to 19,235 in 2011 (for public

universities⁴)(See Figure 2).

However, the increase in the number of universities must be accompanied by a deliberate policy to increase the number of lecturing staff available to teach in the specific courses to be offered.

Figure 2. Increased Enrollment to Public Higher Education Institutions 2010-2011



Adaped by PMRC from: 2011 Annual Progress Report Sixth National Development Plan (GRZ)

Furthermore, there is need for more decisive legislation and policy action on the controversial, yet highly critical issue of funding of and fee payment in higher education institutions. The Assistant Dean of the School of Education, University of Zambia, for instance, revealed that three quarters of his time is spent resolving problems of students failing to paying their tuition fees. Provision of financial assistance as proposed in the Act is thus critical, particularly for students from low income households.

However, Government has tended to face significant challenges in meeting the large demand for financial assistance from students. There is thus need for payment of fees as the Act allows. Fees should not however be demanded up-front but students unable to pay should be allowed to defer payment through student loans. Loans must be repaid into a revolving fund once students graduate and commence employment⁵. This would require formation of a database identifying graduates to allow for tracking students and payments can be made through the tax system as done in countries like Lesotho and England⁶. The recovery rate of the loans would however depend on the employment rate of graduates hence job creation is essential. The private sector/industry must also be engaged to assist Government in funding students from whose services they later benefit.

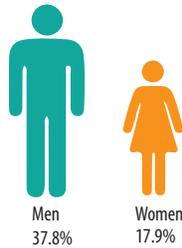
Beyond the provision of bursaries, inadequate funding has also tended to limit the ability of higher education institutions to maintain, improve and expand their learning facilities or to attract highly trained personnel. Government must therefore formulate a strategy for improvement of facilities and raising of standards at existing higher learning institutions even before attempts are made to build other institutions.

1 Zambia Human Development Report. (2011). Service Delivery
 2 Wright, C. R. and Reju, S. A. (2012). Developing and Deploying OERs in sub-Saharan Africa: Building on the Present. International Review of Research in Open and Distance Learning
 3 From 17 universities in 2010 to 19 in 2011 (2011 Annual Progress Review SNDP)

4 Public universities account for about 70% of all tertiary enrolments in Zambia (Living Conditions Monitoring Survey. (2010). Central Statistics Office, Government of Republic of Zambia
 5 Hamusunga, G. (2012). An Analysis of the Zambian Education System. Zambia National Education Coalition (ZANEC)
 6 Teferra, D. and Albatch, P. G. (2004). African higher education: Challenges for the 21st century. Higher Education 47: 21–50, 2004

The Act further addresses equity in access to Higher Education. Of the total number of Zambians enrolled in universities or colleges in 2010, 37.8% were males while 17.9% were females showing the continued need for greater gender equity in tertiary enrolment (Living Conditions Monitoring Survey, 2010)

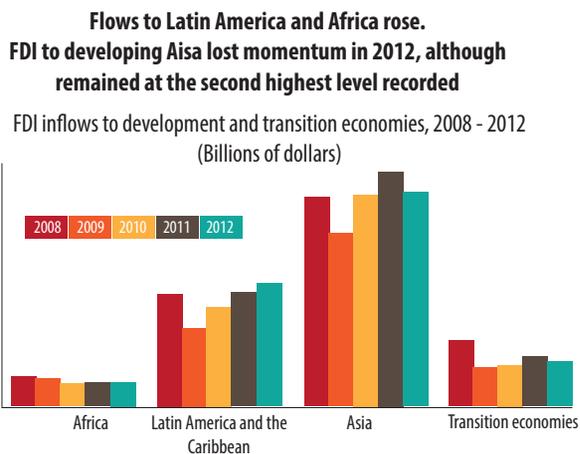
Figure 3: Enrollment in Higher Education Institutions by Gender (2010)



Adapted by PMRC from: Living Conditions Monitoring Survey (2010)

Increased student access⁷ to higher education holds significant potential to boost human capital development and spur economic growth in Zambia. The low level of human capital development in developing countries like Zambia, is a major factor that has significantly limited Foreign Direct Investment to these countries⁸ (See Figure 4).

Figure 4: FDI flows to Developing Countries



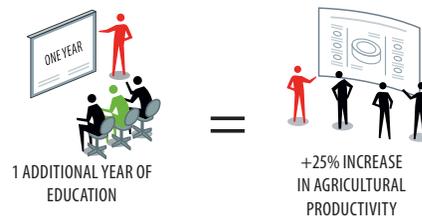
Adapted by PMRC from: United Nations Conference on Trade And Development (UNCTAD) (2013)

Through adoption of policies in tertiary education, that build up local human capital, Zambia will enhance its attractiveness as an investment destination. Increased Foreign Direct Investment (FDI) flows would in turn lead to increased Government revenues, employment generation and also serve as a means of acquiring skills, technology, managerial practices and access to international markets⁹. Moreover, technological advancement and the transition to an information age that have occurred globally in recent years, are leading to greater emphasis on the build-up of high knowledge and skills levels. Noorbakhsh and Polani (2001: 1603), from a study of 36 countries in Africa, Asia and Latin America conclude that in future “Countries that rely exclusively on low-cost, low-skill labor or natural

resources to attract FDI will find it difficult to induce FDI into high value-added industries and may suffer slower economic growth.”

Human capital development will also play a critical role in enabling Zambia to maximise its natural resource potential. For example, while Zambia failed to effectively run its nationalized mines during the 1970’s and 80’s, mines in Chile thrived and have continued to do so to date. This is largely due to the Chilean mining schools that have historically produced more mining engineering graduates. Through higher education, individuals are equipped with the capacity to manage and develop the economy leading to increased productive capacity. Productivity levels in agriculture increase by 2.5% with one additional year of school (Figure 5)¹⁰. Improvements in tertiary education would therefore positively impact output hence growth in the economy.

Figure 5: Increased Productivity from Education



Adapted by PMRC from: Psacharopoulos, G. (1994). Returns to Investment in Education: A Global Update. World Development Vol. 22, No. 9 pp. 1325-1343

Beyond the macro-economic implications, improved access to higher education contributes to increased employment earnings, reduced poverty levels and improved health and nutritional outcomes at household level¹¹. Lake (2010) asserts that every additional year of secondary school increases a woman’s income earning potential sometimes by close to 15%. This in turn reduces poverty through greater ability to access public services, ability to participate in local and national government and greater control over one’s life.

Post-secondary education also positively impacts on the health and life expectancy, particularly with regards to educated women’s ability to better tend to the nutritional and health needs of their children. Cutler and Lleras-Muney (2007) further observe that better educated people, particularly those with higher education, live longer and are less likely to die from the most acute and chronic diseases.

The rise in Zambia’s private universities and colleges has played an important role in increasing access to, and diversity of, training programmes in Zambia. It has however, raised concerns regarding the low quality standards offered, as has been the case in other African countries¹².

7 From 17 universities in 2010 to 19 in 2011 (2011 Annual Progress Review SNDP)
 8 Noorbakhsh, F. and Polani, A. (2001). Human Capital and FDI Inflows to Developing Countries: New Empirical Evidence. World Development Vol. 29, No. 9, pp. 1593-1610
 9 (ibid. 2001: 1593)

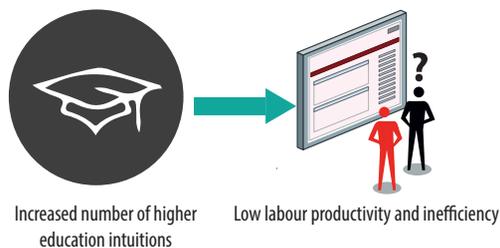
10 Psacharopoulos, G. (1994). Returns to Investment in Education: A Global Update. World Development Vol. 22, No. 9 pp. 1325-1343
 11 Living Conditions Monitoring Survey. (2010). Central Statistics Office, Government of the Republic of Zambia (GRZ)
 12 Teferra, D. and Albatch, P. G. (2004). African higher education: Challenges for the 21st century. Higher Education 47: 21–50, 2004

The Higher Education Act seeks to remedy this vice through procedures and criteria for the establishment and registration of public and private higher education institutions respectively and creation of an inspectorate unit to monitor quality standards.

PMRC believes that the above stated provisions will play a key role in curtailing the proliferation of for-profit, sub-standard institutions of higher learning in Zambia.

This is critical as sub-standard tertiary training tends to result in graduates who are inefficient, have low productivity in the corporate sector and are ineffective in discharging public service. The Act mandates the publication of registered higher education institutions in widely circulated newspapers and the public display of certificates of registration; this will expose those operating without proper certification. This will also warn and protect prospective students from pursuing their education with unregistered, sub-standard institutions.

Figure 6: Sub-standard training leading to low labour productivity



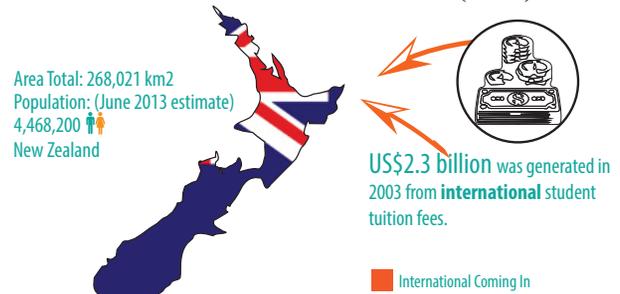
Adapted by Policy Monitoring and Research Centre

The focus on quality is a recurrent theme emphasized throughout the Act. Specific aspects of quality relate to: promoting quality assurance, creating systems for institutional quality assurance for: plant and equipment, curricula, libraries, laboratories and workshops and providing mechanisms for auditing quality assurance mechanisms. This is in contrast to the Universities Act of 1999, which had no explicit mention of quality or systems for ensuring quality higher education. This is a timely focus considering the aforementioned increase in for-profit private higher education institutions and similar steps by the international community to improve quality in higher education¹³.

Countries such as Poland, Latvia, Canada and the United Kingdom all realized the urgent need of establishing regulatory agencies for higher education when they transitioned from monopoly of publicly owned higher education systems to more plural private and public delivery of higher education. The move from the Zambian government is, therefore, consistent with international best practice and should be commended.

Quality of higher education institutions can also help Zambia diversify its economy into the service industry. By establishing Zambia as a regional centre of excellence in specialist fields (e.g. geology), Zambia can transform the structure of its economy away from copper, promote economic growth, increase jobs and reduce poverty. The presence of quality education may also reduce the number of Zambians sending their children to study abroad at exorbitant rates thus saving foreign exchange. This would also lead to increased revenues from fees and living expenses incurred by foreign students in Zambia and may also promote tourism. In New Zealand for instance, US\$2.3 billion was generated in 2003 from international student tuition fees alone¹⁴.

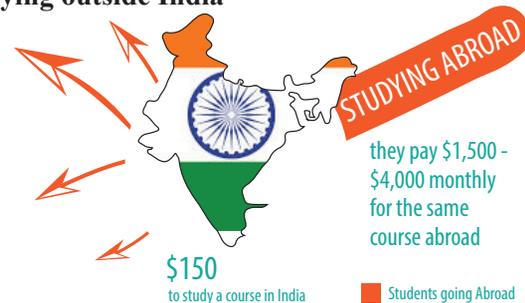
Figure 7: Income generation from international tuition fees in New Zealand - US\$ 2.3 Billion (2003)



Adapted by PMRC from: North Asia Division, Ministry of Foreign Affairs and Trade. New Zealand. (2004). New Zealand's Economic Relationship With North Asia.

Conversely, India is losing considerable foreign exchange revenues as more middle class Indians opt to study abroad. While students would pay \$150 to study a course in India, they pay \$1,500 - \$4,000 monthly for the same course abroad hence the loss in foreign exchange¹⁵. India is thus seeking to improve quality and further open up its education system, which would also create between thirty and forty million jobs in the education sector in India¹⁶. There is therefore much potential in the educational sector if only strong policies are created to better leverage these benefits.

Figure 8: Loss of foreign exchange from students studying outside India



Adapted by PMRC from: The Associated Chambers of Commerce and Industry in India: 2012

The danger of stricter regulation of higher education is the creation of excessive bureaucracy. Harvey (1998) observes that “Despite good intentions, quality monitoring

13 Kohoutek, J. (2009). Implementation Of The Standards And Guidelines For Quality Assurance in Higher Education in the Central And East-European Countries – Agenda Ahead: UNESCO, European Centre For Higher Education: Studies On Higher Education

14 North Asia Division, Ministry of Foreign Affairs and Trade. New Zealand. (2004). New Zealand's Economic Relationship With North Asia. www.mfat.govt.nz

15 The Associated Chambers of Commerce and Industry in India: 2012

16 The Associated Chambers of Commerce and Industry in India: 2012

has become over-bureaucratic and the potential for significant change has been hampered by a focus on accountability rather than improvement.” It is therefore important that quality is clearly defined, and continuous improvement be incorporated into higher education policy. A positive aspect of the Higher Education Act is that it sets timeframes for approval or rejection of applications to set up private higher education institutions. This shows a degree of sensitivity to avoiding needless delays. Effective managerial and supervisory skills will however, be required to ensure that processes are executed speedily.

The Higher Education Act also addresses the mismatch that tends to exist between what is taught in the curriculum at tertiary level and what is actually required of graduates in industry. A senior mining engineer at the Ministry of Mines for example, recounted how he needed to recruit 18 geologists in 2007 but could not find a single one (Haglund, 2008). This forces companies to rely on mostly expensive expatriate skills hence increasing labour costs.

The Act establishes the Higher Education Authority, which will oversee the restructure and transformation of higher education institutions to be more responsive to the human resource, economic and development needs of the Republic. This implies that corporate and public sector staffing requirements would be identified and the appropriate number of personnel trained to meet the demand. This would ensure that labour is not in excess in some sectors while in critical shortage in others, constraining productivity. The strong link between higher education and industry will also ensure that trained graduates are absorbed by the system hence increasing employment levels.

Lastly, it is PMRC’s view that the role of the Authority to develop, coordinate and recommend policy on higher education is a critical function. There is need of a harmonized policy, which will help ensure that all stakeholders are in agreement on the objectives of the higher educational system and on how best to advance tertiary education in the country.

In conclusion, it is PMRC’s position that the Higher Education Act, 2013 is an effort by Government to improve educational quality and learning outcomes through systematic regulation of higher education. The Act has the potential to contribute to national development through:

- Higher socio-economic development
- Stronger links between higher education institutions and industry
- Higher employment levels
- Increased levels of productivity
- Increased economic growth

- Improved service delivery in public sectors
- And attraction of foreign students to study in Zambia at international rates.

The Act must however be effectively implemented and supported by a corresponding policy framework and adequate funding if its full potential is to be realized.

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