

## Funding Policy and Higher Education in Arab Countries

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The Twenty-Fourth Report of the Investment Climate in Arab Countries (2008) has, for the first time, devoted a section on the development of higher education, acknowledging the emerging importance of education for the Arab World. The report reveals the increase in the number of universities in Arab countries from 233 in 2003 to 385 in 2008, including 115 private universities (about 4.4 times the figure for 1993). Although the number of private universities has grown to equal that of the public universities, this does not reflect their capacity; most of the private universities have smaller capacities. However, the report infers that if we add the enrollment in the successful private higher education institutions, it is likely that the percentage of students enrolled in private higher education has approached its counterpart in public universities. This inference is based on a policy adopted by most Arab countries to limit the growth in the number of students admitted to public universities, and establish or expand the private sector to limit public spending on higher education. Overall, the number of universities has risen significantly in all Arab countries except in Iraq, Algeria, Djibouti, and Mauritania, which, however, are making serious attempts to establish private universities.

According to the report, Tunisia has experienced the highest increase in the number of universities (doubled from 22 to 44 universities, including 31 private universities). Kuwait is reported to have the highest percentage of expenditure on higher education of the total public expenditure on education (32.6 percent), followed by the UAE (27.6 percent) and Tunisia (24 percent). Kuwait also has the highest per student expenditure as a percentage of the per capita gross domestic product (80 percent of income per capita).

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### High Spending, Lack of Funding and Limited Output

Arab countries spend a comparatively high percentage of their gross domestic product on education. Over the past forty years, countries in the region have allocated an average of 5 percent of GDP and 20 percent of government expenditures to education—more than other developing countries with similar per capita incomes, yet less than most developed nations. As a result, the region was able to improve equal access to education, and to reduce the illiteracy rates (even though it is still high in many countries). This is seen as a remarkable achievement, given that the region had some of the lowest educational indicators in the world in the 1960.

Regardless of the relatively high percentage of expenditures, most universities and higher education institutions are still facing a funding crisis. In many Arab countries, the limited capacity of institutions of higher education is associated with significantly limited government spending. This situation is exacerbated by the fast-paced ongoing technological revolution and the growing youth population, which is estimated to be one of the largest in the world. This youth population which is currently at a peak, and is expected to continue to grow, creates a greater demand on higher education.

The report points out that despite the significant increase in the number of universities, the effectiveness of the Arab higher education system is still limited for several reasons. Among these reasons are the low participation rate in higher education, high tuition fees in private universities, brain drain, outdated university libraries, inappropriate admission systems and students assessment methods, low level of expenditure on scientific research and the dissemination of research reflected in the limited number of published research in international journals, the decline in teachers' preparedness

and in educational materials, the lack of academic freedom for professors, and the decline in quality of programs in the absence of accountability.

As evidence of the severe decline in universities and research centers in the region, none of the Arab Universities appeared in the top 500 in the Academic Ranking of World Universities compiled by Shanghai Jiao Tong University in 2008. Cairo University was the only university previously listed.

### **Reflection and Recommendations**

Looking at the current situation of the higher education financial policy in the Arab world, I believe that there is potential for improving the effectiveness of the sector in the region. In order to increase the competitiveness of the graduates, it is critical to have a strategic plan that embraces the needs for development and those of the job market in the region as well as targeted labor markets.

It is a fact that students from middle- and high-income families are overrepresented in higher education in almost all countries (Johnstone 2003). The dual track policy—admitting the more qualified for free or low cost places in public universities—means that the intellectual and social elite who are more qualified easily access the free or low-cost public seats. At the same time, the low-income students, who are less qualified due to social barriers, have to pay. Based on the current financial policies in the Arab World, where tuition-supported private higher education is growing and policies of cost sharing (higher tuition fees, dual track, cost recovery of food and lodging in public universities) have been implemented in most countries, there is an urgent need for policy makers to realize the importance of providing means-tested grants and loans that are generally available for those qualified needy students.

High tuition is a real barrier to equal access because of the limited financial aid and student loans available. Thus, there is an urgent need for implementing effective grants and loan schemes to ensure that no qualified student is denied access to higher education due to financial constraints. In addition, private universities should be encouraged, even forced, to diversify their resources so that tuition is not the main source of income, in order to charge lower tuition and/or offer more financial aid to those who cannot pay.

It is worth noting that the long-term philanthropy culture, which existed in Arab countries to support education, has significantly diminished and thus is in need to be revived and encouraged. In conclusion, if the current development continues in the Arab World—higher tuition, dual track, privatization in public higher education and an increasing private sector without adequate grants and student loans—the result will be a regression to elite higher education, and the region will face the risk of missing the prospect of economic and social development permanently.

### **References**

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