

## **Making Quality Higher Education More Accessible in the Philippines: Someone Has To Pay the Price**

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The responsibility for providing universally accessible higher education rests with government. This is a constitutional mandate.<sup>1</sup> Therefore it must provide the adequate number of schools, the competent teachers, the capable administrators, the properly salaried staffs, the well-stocked libraries, the properly-equipped laboratories, the appropriate facilities, etc., that the Filipino people require.

Were there no private schools, this responsibility would rest solely with government.

### **Complementary Role to Government**

The private schools play a complementary role to government. Where government is not able to provide a public school system universally accessible to all, it runs a public school system accessible to some. Today this takes care of only some 30% of those in higher education.

Private schools run substantially on private-sector resources raised through private investments, donations, tuition, fees, and the like. Insofar as they succeed in a free market economy, they contribute to the universal output of higher education - which otherwise would have to be outputted by government alone. Without government providing substantial resources for the operation of private schools, private schools account for 70% of the higher education output in the country.

### **Respect in Partnership**

Private schools are the government's only partner in higher education. In government's relationship to the private schools, the private schools should be respected for bringing together and managing significant resources for respectable delivery of higher education. If in mandating public schools to high levels of delivery, it logically gives to public schools the resources necessary for that delivery (salaries, books, equipment, etc.), in mandating private schools to high levels of delivery (on pain of closure or withdrawal of permit to operate programs), if it does

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<sup>1</sup> "The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all" (Art. XIII, Sec. 1). "The State shall (1) Establish, maintain and support a complete, adequate, and integrated system of education relevant to the needs of the people and society..." (Art. XIII, Sec. 2ff).

not provide the resources for that delivery, it must respect the manner in which the schools attain their resources, normally through tuition, fees and donations. The collection of tuition, fees and tuition is in response to the mandate for quality education in the country today which government itself cannot fund.

A situation where the government mandates the high levels of delivery, which mean higher salaries (because college graduates are not enough, but MAs or MSs are required), better libraries (where many books are not enough, but updated books appropriate to the disciplines being taught in the colleges and universities are required), better laboratories (where state of the art equipment is called for), better facilities (often involving new classroom buildings, libraries, amphitheaters, covered courts, playing fields), it cannot deprive the schools of seeking those resources from its regular source of resources, tuition and fees, to carry out the mandate. While schools appreciate donations, few schools can plan on a regular inflow of donations.

### **Ambiguous Aspects of “Accessible”**

A cap in tuition fees, may make the educational institution more accessible to some poor individuals, but may deprive those able and willing to pay of access to higher-quality education provided by the institution. Because the original mandate for universal higher education rests with government, if it cannot provide the higher education that private schools do, it should let the private schools do this as they do. Government should then continue to provide education for those who cannot afford higher private education. Where CHED<sup>2</sup> or Congress<sup>3</sup> considers capping tuition fee increases with an arbitrary figure in a context (as questionable as this is!) where 70% of those increases must be used for salaries, 20% for the improvement of facilities, and 10% for ROI (where the school is not non-stock non-profit)<sup>4</sup>, it stunts the growth of schools in quality, especially the smaller schools. Also, because it begins with an uneven base, it allows much more increase in absolute values for the biggest schools. Eight percent of Juan Pobre College’s 100 pesos per unit is much smaller than eight percent of the University of San Prospero’s 1,500 pesos per unit. The fixed percentage keeps the big schools permanently ahead of the small schools.

Indeed, schools should be free to determine how increases in tuition are to benefit salaries vs. facilities’ improvements. Where in a school, salaries have already be adequately provided for, but new facilities are needed, why must a school be constrained to use 70% of its new income for salaries, where this is much more needed in building out its library or laboratories?

### **Better Than Paying Higher Fees Abroad**

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<sup>2</sup> E.g. CHED Memorandum Order 14, s. 2005, Sec. 8 which capped increases to the inflation rate, now happily abrogated.

<sup>3</sup> Confer: HB 1274 introduced by Rep. Teodoro Casiño and HB 1407 by Rep. Judy J. Syjuco

<sup>4</sup> CHED Memorandum Order 13, series 1998, 3.3.1.b and c.

Government should therefore welcome and encourage investment in higher education, allowing returns on quality education that the clientele of the schools are able to afford. If a school prices itself out of the market, it will close. Administrators are keenly aware of this law. On the other hand, if a student prefers to pay thrice as much at the University of Greater Expense for the presumably superior education in the same course in the University of Less Expense, thereby allowing the school superior revenues and/or profit, why should that not be allowed? Similarly, if a student is attracted to a wide open campus, or to widely-liberal campus rules, or to the all-PhD faculty policy of an exclusive school, or to the religious-formation program of yet another school, and is willing to pay the corresponding tuition and fees, why should schools not be allowed to develop these unhindered and students not be allowed to make their choices? If an investor wants to invest big in the University of Less Expense to make it superior to the University of Greater Expense, why should his return on investment be capped to an uninteresting 6% when investments with experienced account managers can earn much more?<sup>5</sup> It is in the interest of higher-education output that the investor be allowed to recover his investment earlier - so long as the market allows.

Making quality education accessible in the Philippines is protecting the student from alternative quality education costs in the United States of \$25,000 to \$35,000 a year.

### **Unfunded Mandates**

The private school is the partner of government, and should therefore not be treated as a lame brained lackey. Always bearing in mind that when government makes demands on state colleges and universities, it must pay for it, it is the same when government makes demands on private schools. Make demands on the schools, but provide the means whereby these demands can be met. Otherwise, government victimizes private schools with unfunded mandates. Such would be a legislated mandate where all private schools are to include all the community's orphans in their student rosters free of charge because of the unconscionably sorry situation that these children have no living parents. As unfortunate as that situation truly is, the mandate if carried out by a state school would entail state-funded budgetary allocations.

Carried out by a private school, it would entail paying the school for the service rendered in the operation of the school. This is no different with a government mandate that the schools educate all the children of living parents working in schools.<sup>6</sup> Someone has to pay the bill for salaries, utilities, depreciation, and the like.

It is tempting to say that putting just another student into a class of 38 doesn't cost the operation anything. And that may be true in this case. But what happens when your forced additions, impossible to cap, mean that new classes must be organized, more teachers hired, more classrooms used?

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<sup>5</sup> Confer: HB 1274 introduced by Rep. Teodoro Casiño: "Each private school shall determine its rate of tuition based on a reasonable rate of investment of not more than six percent."

<sup>6</sup> Confer: HB 270 introduced by Rep. Darlene Antonino-Custodio

Of course, some of the private schools are able to afford educating all the children of their employees or of some deserving poor. Some have raised significant scholarship funds. But even this belongs to a set of characteristics proper to particular schools that the market buys in to and supports, or does not.

### **Higher Demands: Someone Must Pay**

Similarly, where government demands quality in faculty, library, laboratories, facilities of the private schools, either they must pay for them through massive subsidies, or they must allow the schools the leeway to raise the resources necessary for these investments in improved quality. Normally it is through seeking grants and donations (which administrators cannot plan), or raising tuition and fees as the market allows. When government makes the demands and forbids the institution to raise the appropriate resources (as capping an increase to the inflation rate, whereby the market may be increasing prices above the inflation rate). Here, it falls again into the trap of the unfunded mandate. The demands are made, the subsidies not granted, and now worse, schools are legally or politically restrained from the ability to raise the resources.

Making higher education accessible in the Philippines is mandated by the Philippine Constitution. This does not happen, however, by lowering the cost of all higher education to the point where all who are earning less than minimum wage can go to private schools free of charge. The loss in quality would be disastrous for the country; colleges which output poor quality should be closed. It means rather government investing heavily in - or subsidizing - the higher quality of the State Colleges and Universities, and not only in a premier University of the Philippines. It also means allowing its partners in higher education, the private schools, to place the quality of higher education on the market that their clientele can afford. It means recognizing that education costs money, good teachers demand and deserve good compensation, and that good teaching and vital research demand expensive libraries, laboratories, and facilities. Making real higher education accessible in the Philippines means recognizing private investments in higher education are needed, and that whenever there is someone who becomes a mathematician, an engineer, a doctor, a sociologist, a teacher, someone has to pay the price.