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Privatising the public: marketisation as a strategy in public university transformation

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In this study, the transformation of a Kenyan public university through marketisation and privatisation was investigated qualitatively. By focusing on senior university administrators, deans, department heads, union leaders, student leaders and senior scholars at Kenyatta University the study identified the reasons for, and strategies used to achieve, marketisation and the consequences. External factors – pressure by multilateral financial institutions and global trends in favour of the market place and private finance in higher education – and internal factors, including social demand for higher education alongside the government's budget rationalisation agenda, were the impetus for the transformation.

Strategies used in marketisation included the corporatisation of university management through the de-politicisation of the university chancellorship, competitive recruitment of the vice-chancellor, administrative reconfigurations involving mergers and downsizing, registration of unions and revitalisation of student leadership and commercialisation of learning. These developments resulted in role conflicts over various offices, insider recruitment, administrative misalignment, loss of faculty power in governance, collective bargaining failure and disruption of learning and institutional instability.

Keywords: higher education; marketisation; privatisation; globalisation; transformation; Kenya

Introduction

Higher education transformation¹ has increasingly become an important policy concern. Today, globalisation and the attendant notions of marketisation and privatisation have increasingly come to dominate the higher education transformation discourse (Stromquist 2007; Bok 2003; Gibbons 2001). Central to the fundamental issues arising from marketisation and privatisation in developing countries are the reasons for, and the nature of, the rapid expansion of privatisation and marketisation in public higher education and stakeholder anxiety over the increasing reconfiguration of institutions to reflect market realities (Ntshoe 2004a, 2004b).

Of the various ways in which higher education institutions have responded to marketisation, five are worth mentioning. First, 'massification' – acceleration and expansion of higher education and increased access to it (Open University 1995); second, increased inter-institutional competition leading to university–state relations being re-cast in contractual terms (Bargh et al. 1996); third, shift in the centre of power from 'internal' academic issues to more 'external' questions of institutional milieu and reconfiguration of missions to guarantee financial survival (Henkel 1997); fourth, the creation of new relations with students and users, cutbacks in student

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subsidies and the introduction of loans; and fifth, state regulatory institutions and agencies have devised policies that have fostered the notions of 'market' culture and resource allocation which have turned institutions into 'quasi-markets' (Bertelsen 1998).

Globalisation, marketisation, privatisation and new managerialism

Marketisation, privatisation and globalisation are inextricably interwoven. Globalisation is 'what happens when the movement of people, goods or ideas among countries and regions accelerates' and the world becomes similar, compressed in time and space (Suarez-Orozco and Qin-Hilliard 2004, 1). The genesis of the nexus between globalisation and higher education can be traced to the 1980s when leading western industrial states, such as the USA and the UK, lost their market share to Japan and newly emerging Asian economic giants such as South Korea, Taiwan, Hong Kong etc. Unlike the old industrial economies, the new economic giants in Asia made their strides through applied science and engineering, especially in the fields of information generation, processing and storage (Castells 1993). Unlike discoveries in the old industrial revolutions, innovations were made by highly educated college graduates and the new global economy would lead to the creation of high-skilled high-paying jobs. Since then, universities have become central in the training of professionals employed by corporations to undertake the creation, invention and innovation of sophisticated technologies and products to enhance the global competitiveness of nations.

The globalised political economy has been the catalyst of enormous transformation in public higher education, the most discernible being the accelerated movement of institutions into the marketplace. From Africa to Asia, America to Australia, states have enacted policies through which they have steered public institutions into the market through: decreased funding leading to partnerships with business and industry focusing on innovative product development; marketing of education and business services; accumulation of power by state officials to shape programmes and curricula and to standardise and routinise faculty work while costs are transferred to students; and official encouragement of contract research and increased managerialism to manage it (Slaughter and Larry 1997).

Arising from this link between higher education, marketisation and globalisation, scholars have developed conceptual themes to analyse the emerging educational transformations. Slaughter and Larry (1997) labelled as 'Academic Capitalism' the institutional and professional market or market-like behaviour to secure external money – that is, market-related research, contracts, partnership with industry and government, technology transfer, recruitment of more higher-fee paying students. A distinction is also drawn between quasi-marketisation (or market-like behaviour) and marketisation² within higher education. In the former scenario, institutions and faculty compete for external monies, such as grants and contracts, but without bureaucratic penalties if they are unsuccessful. In the latter case, institutions engage in for-profit activities such as patenting and subsequent royalty payments, spin-off companies, arms-length corporations, partnerships with a profit component, and profit sharing with food services and bookstores. These activities have bureaucratic sanctions where success is not demonstrated.

Though marketisation, privatisation and managerialism are often treated together, scholars have noted the conceptual distinctions between these concepts. According to Kwong (2000) and Marginson (1997), marketisation and privatisation overlap because free market principles depend on private ownership, the private management, production and distribution of goods, and the retention of profits in private hands. While privatisation entails the transfer of ownership or administration of public organisations into private hands (Kwong 2000), marketisation is the adoption of market practices without necessarily privatising the organisation. Whitty and Power (2000) and Mok (1997) posit that it makes more sense to apply the notion of quasi-marketisation

to state-funded or state-provided services including education. This is because, like conventional market behaviour, there is competition for customers but, in contrast, the competing groups are not motivated by profit.

New managerialism is a logical outcome of the emergent entrepreneurial culture in public higher education. This shift has increased the attractiveness of the private sector corporate management model in higher education (Laurillard 2000). While higher education institutions were previously considered sacrosanct and beyond the vagaries of the market, today they have been incorporated into the national agendas of efficiency and productivity leading these new management models borrowed from the corporate sector.

Impact of marketisation, privatisation, globalisation and new managerialism in higher education

While it is true that US higher education has been the pioneer and the most successful in incorporating market practices in the public education, the world-wide expansion of the neo-liberal ideology of globalisation is a function of two global institutions: the World Bank and the Organisation for Economic Cooperation and Development (OECD). Through its financial muscle, the World Bank has encouraged developing countries to adopt the American higher education model and diversify their revenue base alongside advocating the privatisation of social services including higher education (see World Bank 1994; Currie 1998). For the more affluent European nations, the impetus has come from changes in higher education systems in the USA and the UK in addition to the OECD meetings (Currie 1998).

The globalised political economy has had significant ramifications for higher education, and scholars have documented these consequences from both organisational as well as regional perspectives. Vaira (2004) has focused on the organisational consequences, arguing that the entrepreneurial university is a local-organisational adaptation to globalisation forces. Such universities, although with differing histories and structures, reveal a common and recognisable pattern of organisational restructuring – the entrepreneurial archetype.

Most analyses, however, focus on the consequences for the working lives of academics. Diminished state funding for institutions in Australia (Marginson 1997), Canada (Buchbinder and Rajagopal 1995), Europe (Clark 1993) and the UK (Williams 1995) has generated conflicts in faculty academic values around governance and institutional diversification in terms of funding. The social critical function of faculty and universities in general has waned as institutions grapple with the challenges of raising revenues and instituting governance structures to management activities (Halsey 1992). This new managerialism, exemplified by increased bureaucratisation and form-filling routines, is meant to increase accountability to the stakeholders such as government and industry and consequently, curtail academic freedom (Miller 1995).

Other scholars have paid attention to the relationship between the transformed universities and society. Bok (2003) cautions on the pitfalls of using the marketplace to solve university fiscal constraints, arguing that it is neither 'consistently useful nor wholly irrelevant in trying to improve performance of research universities' (32). Ntshoe (2004a, 2004b) documents the equity implications of privatisation and marketisation on lower socio-economic groups, the blacks and coloured who were disadvantaged in apartheid South Africa, while Sall (2004) shows the challenges African state universities experience in the face of globalisation and marketisation – equity (including gender), social accountability, social relevance and academic freedom. On the other hand Zeleza (2003) has paid attention to the constraints on academic freedom and institutional autonomy. Though still at an incipient stage, studies on the consequences of higher education transformation in Kenya have begun to feature in academic discourse. Empirical investigations

have revealed the decline in living and academic conditions of students from lower socio-economic status due to privatisation of university services (Mondoh 2002; Mwinzi 2002). There has also been a study analysing the emerging dichotomies, as higher education becomes increasingly private (Otieno 2004), and initiatives at income-generating activities by institutions (Kiamba 2004). These Kenyan studies notwithstanding, there is need for detailed qualitative case studies aimed at understanding the nature and process of university transformation from the perspective of key stakeholders.

Theoretical perspective

From a theoretical standpoint, this study explores the following thesis: marketisation and the attendant privatisation of public higher education, responsible for both organisational transformation and also new relationships between the various stakeholders, is a product of a number of factors. For higher education in developing countries, the accelerated steering of public universities into the marketplace is a confluence of both external pressure and internal forces. The former is manifested by the neo-liberal agenda pursued by multilateral donor institutions like the World Bank and the International Monetary Fund (IMF) which espouse the centrality of the market in the allocation of education. This market notion is further bolstered by heightened global movement of ideas that limit the financial role of the state, and privatise and internationalise development policy. Internal forces of transformation have a dual thrust. First is the national government's need for budget rationalisation to assure resources for education and equitable allocation with emphasis placed on basic education. Second is the need to address the increased social demand for higher education within the national boundaries.

The alignment of public universities to the marketplace gives rise to new forms of institutional management aimed at internal efficiency, 'massification' of institutions with differentiated and competing access as a means of generating additional revenue, and privatisation of non-core functions to contain costs. These transformations result in altered power dynamics and social relations with the administration gaining more power at the expense of the academics and staff. Stakeholder anxiety and the underlying conflicts reflect the frequency, intensity, duration and the extent to which these transformations introduce new dynamics and altered social relations. Areas where tensions are animated include academic quality, equity, disruption of learning, programmes, curricula and governance.

Methodology

Research design

This study utilised the case study approach (Yin 1994) in order to gain insight into the impact of university transformation on various dimensions of university processes as perceived by respondents while being attentive to their anxieties about the reforms. Focusing on Kenyatta University, the study was able to elicit critical perspectives on the issue from important actors such as senior administrators, senior scholars, department heads, union and student leaders and at the same time link these perspectives to important university processes.

True case studies are limited in their ability to capture hybridity that may take place owing to the rather limited comparative and longitudinal data collected. Scholars interested in the nexus between marketisation, globalisation, new managerialism and higher education, such as Deem (2001), have argued that case studies are inherently ill suited for local-global analysis. However, case studies are valuable in that they enable us to present an in-depth look at particular phenomena which may easily be over-looked when large-scale surveys targeting a multiplicity of universities are undertaken.

Research questions

The specific objectives of the research were attained by addressing the following questions:

- (1) Why has the process of marketisation and privatisation expanded in public higher educational institutions in Kenya?
- (2) What is the nature and process of the marketisation and privatisation that has taken place?
- (3) What aspects of marketisation and privatisation in Kenya's public higher education have led to increased stakeholder anxiety?

Data source: Kenyatta University

Kenyatta University (KU), setting for the data collection exercise, was selected for a variety of reasons. It is the second largest university in the country after the University of Nairobi (UoN) with an enrolment of over 15,000 students (in 2005). It is located approximately 20 km outside downtown Nairobi, a peri-urban institution striding the fringes of both the city and rural limits. Other than the urban UoN, the rest of Kenya's public universities are rural, thereby providing a unique challenge in diversifying their revenue base through entrepreneurial activities. Unlike the UoN, which began as a complex multi-campus institution with a multiplicity of programmes, KU began as a constituent college of the UoN offering educational programmes. Its sudden enrolment increase and growth into a multi-campus institution are the results of efforts to align itself with the market, providing a good setting for in-depth study of university transformation.

Data sources: participants

Personal interviews were conducted with senior administrators, senior scholars and key union leaders. The senior administrators were the university vice-chancellor (president), the administration registrar, four of the five deans, and directors of income-generating activities, self-sponsored programmes (SSPs) and the institute of open learning. Deans interviewed were from the schools of: Business, Education, Environmental Studies and Human Sciences, and Humanities and Social Sciences. Senior administrators provided a university-wide overview from an administrator's perspective.

Another set of personal interviews were conducted with two senior scholars, full professors who had served the institution for over 20 years. They provided an in-depth understanding of the transformation process from an academic's viewpoint. Interviews were also conducted with four union leaders, two from each of the academic staff unions: University Academic Staff Union (UASU); and the middle grade staff union, Universities Non-teaching Staff Union (UNTESU). Officials from the union provided valuable information about the reforms from a worker's context. In total, interviews were conducted with 15 respondents.

Three groups of respondents completed open-ended questionnaires. We selected six chairs from academic departments in each school which had made considerable progress in attracting privately-sponsored fee-paying students, the main revenue source for academic departments including: Business Administration, Biological Sciences, Educational Administration and Planning, Environmental Planning and Management, History, Archeology and Political Studies, and Hospitality and Tourism Management. In addition, the five student leaders took part through an open-ended questionnaire. These three groups were valuable in providing data on the reforms from a frontline perspective as well as from those receiving services.

Data collection: instruments

Besides biographical information, the interview guide, the chairs and the student questionnaires elicited the same type of information regarding university transformation – the reforms taking

place at the university, the sources of these reforms, those that have been successful and those unsuccessful, policies guiding the reforms, income generating activities, impact of the reforms on academic programmes, academic staff, non-instructional staff and students.

Data collection: documents

Data from memos, the strategic plan, newspaper articles and newsletters from various stakeholders at the institution including students, unions and the university was also collected. National level data was obtained from government documents including the Ministry of Education, Science and Technology policy documents (ministerial speeches), the 2004–2009 National Development Plan and the 2005 National Economic Survey (Republic of Kenya 2005). Press reports were also useful in providing pointers to the nature of reforms taking place in higher education. These enabled us to contextualise the reforms in a national context.

Data analysis, validity and reliability

Once the interview transcripts were deemed accurate and free of errors, a coding scheme was developed for the interviews, questionnaires and documents consulted. Data coding was carried out using the qualitative research computer software, *Ethnograph* (Qualis Research, Colorado Springs, CO). The coding categories were generated from the concepts derived from literature related to university transformation within the globalisation and marketisation and privatisation framework.

Since we had three broad data sources – interviews, questionnaires and documents – a thematic strategy provided the basis for data triangulation, categorisation and interpretation. These techniques allowed important themes and categories to emerge from the data collected. Coupled with the alignment with themes emanating from literature on university transformation, this technique provided a good measure of content validity for the data collected. Reliability was established through the constant comparative method. In developing the coding scheme, we paid close attention to Ntshoe's (2004a, 2004b) and Slaughter and Leslie's (1997) work on university transformation in South Africa and Australia respectively. Their work provided the foundation upon which to build this work in order to appreciate how universities and their stakeholders are impacted by the process of institutional transformation in the context of globalisation and marketisation.

University transformation: external and internal impetus

Both external and internal variables were perceived to have been jointly responsible for the transformations that had occurred in public universities due to economic parameters which lead to altered economic fortunes for the institutions necessitating the transformation. Globalisation and the role of multinational agencies, like the World Bank and IMF, were the key facets of external factors informing the reform.

Globalisation was perceived as a natural process in which universities show convergence in terms of programmes and operations across the globe since '...globalisation means that you try to do what others are doing so that you are not left behind', noted a scholar. New market-oriented academic programmes, the recruitment of privately-sponsored fee paying students and privatising aspects of university operations were part of the world-wide trends which Kenya cannot escape. In its first strategic plan (2005–2015), Kenyatta University (2005) indicated that the guiding principle in the development of the plan was the impact of globalisation and competition all which had emerged as the two essential variables in higher education development.

Globalisation was inextricably interwoven with both marketisation and the commoditisation of academic knowledge. As globalisation had taken shape, universities had transformed their

academic programmes in order to tap into the emerging education market. Of this conflation a senior academic noted:

I would say that we are subject to the challenges and demands of globalisation and Kenya cannot be isolated from that. Therefore, globalization has impacted heavily on education generating a high mobility of students and professionals whereby state boundaries which used to characterize education before are breaking down and there is movement as if there are no boundaries any more. Globalization has brought with it fundamental changes in marketing whereby education has become a marketable good in the global market arenas.

The World Bank and IMF's clout in engineering the transformation was through their enormous financial resources which gave them leverage over government policy in higher education. The bank was able to exert latent influence at the institutional level through the financial leverage it wields: 'The World Bank indicated that it could not be able to fund salaries for lecturers so the universities had to look for ways of funding the new salary scales that were negotiated between the Universities and the Union' observed one dean.

Internal impetus for the transformation was driven by decreased state subventions and social demand for higher education. In the strategic plan, KU noted that a decrease in state subventions had led to shortfalls in provisions for salaries, pensions, research operations and maintenance. The government did this for two reasons. First is the desire to meet the fiscal requirements of the newly implemented Free Primary Education (FPE) which came into being in 2003. This programme had huge political payback and so merited additional funding than higher education.

Second was the conviction that universities had the capacity to raise additional revenues to cover any shortfall from the government. In a radical shift in ideology, the state regarded marketisation, through entrepreneurial activity, as the vehicle through which universities could raise additional revenue to fill the lacuna created by state cutbacks. This entrepreneurial model of development for public universities was enunciated by the country's minister for education:

This is a turning point in the development of our public universities, where they are being called upon to adopt business-like financial management styles. It is also a point in time when universities have to plan well ahead about resources expected to be coming from sources other than the exchequer... Time has come to seriously take account of the universities potential to generate income internally... Income from such sources should be exploited and treated as definite sources of university revenue. (cited in Kiamba 2004, 55)

Social demand for higher education was crucial in sustaining transformations, particularly for the market-based SSPs. While the idea of paying for university education was previously frowned upon, the establishment of private universities has led to a change of attitude towards private financing of higher education. Working adults, in particular those whose upward mobility is dependent on additional credentials, such as non-degree teachers and those in the corporate sector, are now willing and able to pay for university education, just like the large number of unemployed graduates who view an additional university degree as providing increased opportunities for employment.

Transformation turbulence: university transformation and stakeholder anxiety

Policy deficit

Institutional transformation was perceived as devoid of planning, organisation and coordination. Other than the very senior university-wide administrators, respondents lacked any information about state or institutional policy guiding the reforms. Neither the state, through the Ministry of Education, nor the institution had articulated a coherent policy setting the pace and direction of the transformation other than the need for universities to generate their own revenues to make up for the shortfalls in state subventions. In the rationale for its strategic plan, KU observed that in

the absence of such a plan, the university had relied on the national development plans which focused mainly on physical development of the institution resulting in 'the development of programs and infrastructure based largely on emerging needs rather than planned projects and activities' (Kenyatta University 2005, vi).

The absence of a national policy or institutional strategic plan in the past decade that the university had been undergoing changes had given rise to a personality-based transformation. Innovations in programmes and new projects were spearheaded by the previous vice-chancellor based on his interests and what he perceived to be beneficial to the institution, as one dean observed: 'When you ask why Kenyatta University has gotten into this, I think, I would like to give credit to the former vice-chancellor. For example he was the one who started the school – based teacher training program'.

This personality-driven transformation left little room for participatory planning by other stakeholders in the university, stifling organic growth from within. Reforms were perceived as superficial, mere 'changes' and 'initiatives', 'I don't even know whether to call them reforms or *changes*... they are actually just *initiatives* which it seems are meant to generate money, and as a result you will find that we have compromised quality' one senior scholar opined.

Corporatisation of management

Among the changes in the university management as part of realigning it to the market were a depoliticised chancellorship, market-sourced vice-chancellor, administrative reconfigurations, registration of trade unions, and the revitalisation of the student leadership. The political dimension of these reforms was enunciated in the University's strategic plan:

Political changes in Kenya heralded the appointment of Chancellors who are not the head of state as was the case previously. This calls for reforms in the management structures to accommodate the new dispensation and encourage good governance principles. In Kenyan public universities, the administrative structures have been highly hierarchical and centralized. In the planned period, KU will put in place strategies that will institutionalize the use of democratic principles in decision making and responsive administrative and management structures. (Kenyatta University 2005, xi).

Depoliticised chancellorship

With the change of government in 2003, the honorary and ceremonial position of chancellorship in Kenya's public universities ceased to be occupied by the head of state; it was depoliticised. In its stead, seven prominent citizens were named by the head of state to serve as chancellors, thereby increasing institutional autonomy.

This development had not been without its share of challenges at KU. Role conflict with the chair of the university council, also appointed by the head of state, in setting policy decision was considered debilitating to the smooth transition in governance reform. The existence of two non-executive officers appointed by the head of state had created two centres of power and precipitated role conflict. Occasionally, the chancellor had functioned as a full-time executive, overshadowing even the Council chair in giving the overall policy direction to the university.

Market-sourced vice-chancellorship

The vice-chancellors are the chief executive officers of the public universities and until 2005, they were appointed by the head of state. Since then vice-chancellors have been appointed, on a performance-based contract, after a competitive recruitment from the market.

Insider recruitment, outsourcing the screening of applicants to an outside firm, and the non-representation of key stakeholders in the search process were the main impediments to the

successful transformation in the process of the vice-chancellor appointment at KU. Middle level administrators like chairs, academics, union leaders and students were not represented in the vice-chancellor search committee, thereby diminishing their views about the suitable candidate. The search committee was composed of university council members and senior civil servants. Not surprisingly, the candidate selected for the position was a university insider who had over 20 years of university service, which raised concerns about the ability of such an insider to spearhead institutional transformation.

Administrative reconfiguration

Since the mid 1990s, the university had undergone two waves of administrative reconfigurations aimed at realigning the university governance structures to the new market-oriented dispensation. The first wave, which took place in the 1999–2000 academic year, had two goals. The first was to strengthen the academic units through the granting of executive and budgetary authority to senior administrators. Consequently, the system of elected deans of university faculties was abolished and replaced by a system of vice-chancellor-appointed executive deans. Faculties, the major academic administrative units in the mould of continental Europe, were abolished to be replaced by the American-oriented schools, effectively transforming governance from a collegial model, where power emanated from the academics to a more hierarchical one where power of appointment resided with the university chief executive.

The second goal was to establish income-generating activities in various departments within the schools. While most departments initiated marketable academic programmes, others established entrepreneurial units to solicit and conduct business. Research and consultancy were the main sources of income with the Department of Family and Consumer Sciences also establishing a day-care and a restaurant. In all, the departments housing the revenue-earning projects were to retain 35% of the income, the rest reverting to the central university administration.

The second wave of administrative reconfiguration was more recent, in the 2004–2005 academic year. Though well intended, the first wave of reconfigurations led to a loss of faculty power in governance, increased administrative costs, and duplication and functional disarticulation among various units in the newly reconstituted organisational structures. In the second wave, mergers (consolidation) and downsizing (de-establishment), reinstatement of elective deanship and creation of new structures were the strategies used to ameliorate the ill effects of the first administrative transformation. Efficiency and cost containment were the objectives:

The restructuring is meant to achieve the following:

- Establish operational efficiency in the realms of management of academic programs in order to meet changing markets.
- Formulation and implementation of a system that would facilitate optimal utilisation of human, financial and physical and other resources in the university.
- Enhancement of innovative responses to shifting emphasis towards the development of a Kenyatta University brand.
- Enhancement of a system, which will lead to a learner and more efficient administrative framework. (Kenyatta University 2004, 3)

Meeting consumer needs through a marketable brand was still a key strategy of the restructuring.

There were conflicting perceptions regarding the efficacy of the new realignments in realising the objectives of efficiency. Departmental heads expressed guarded optimism that the changes would lead to internal organisational efficiency and more market articulation in academic programmes. However, loss of faculty power and organisational disarticulation were the reported outcomes of the second wave of administrative reforms. Organisational disarticulation occurred

when departments of differing programmatic orientation were grouped together. The merger of the Department of Textile and Family Consumer Sciences with the Faculty of Environmental Studies to form the School of Environmental and Human Sciences was the most cited example. The merger contributed to insider-outsiders feelings among faculty in Human Sciences and provided a sphere of contest in resource allocation between academics in Environmental studies and those in Human Sciences.

Union registration

Included in the corporatisation of management were the registration of unions and the subsequent introduction of collective bargaining processes for faculty and middle administrative staff. Prior to 2003 only the low cadres of employees were unionised under the auspices of the Kenya Union of Domestic, Hotels, Educational Institutions, Health and Allied Workers Union (KUDHEIHA). With the registration of the faculty union, the University Academic Staff Union (UASU) and the middle level staff union, Universities Non Teaching Staff Union (UNTESU), collective bargaining and improvement in academic freedom were on the horizon.

The registration of unions was, however, accompanied by organisational conflicts pertaining to the collective bargaining process. Universities had set up a committee, the Inter Public Universities Council Consultative Forum (IPUCCF) – a non-legal entity – to negotiate with unions over their terms and conditions of service. The IPUCCF lacked the legal basis to commit the state over terms of service negotiations with unions since it had not been registered as a legal entity to enter into contractual agreement on behalf of the state. Thus, the 2004 collective bargaining agreement saw the universities being mandated by the state to meet the salary increments agreed upon with the unions.

Failure to institute a legitimate collective bargaining entity on the university side was the major catalyst for the inability to integrate staff welfare in the universities transformation process:

Unfortunately, whenever the university management makes attempts to improve the situation, the attempts to reform public universities have always left out staff welfare in the reform agenda. Public universities are now preoccupied with reforms, innovative management, curriculum changes, market responsiveness, parallel and distant learning (open learning), investment in quality assurance etc. but not with addressing the issues of staff welfare and motivation. The staff salary and allowance are not part of their problem. (UASU Kenyatta University Chapter 2005, 1)

Revitalised student government and leadership

A re-engineered student government and leadership were other dimensions of the corporatisation of university management. From the previous hierarchical model of student government with three powerful offices, Chair, Secretary and Treasurer, the Kenyatta University Students Association (KUSA) had undergone a radical transformation resulting in a decentralised guild model of student government and leadership. This re-engineering had enabled the association to shed its previous image of a quasi-political activist organisation with affiliation to political interests beyond the university and adopt an image that has trappings of a corporate organisation addressing the needs and problems of its immediate stakeholders and clients – the students.

Under the guild model, KUSA had senators representing various housing units and other special interest areas within the student community. This had allowed increased student representation within the leadership structure. The university management had granted the association budget authority with power to hire a full-time office manager and to provide emergency financial assistance to students in distress, alongside providing it with a suite of offices to accommodate various officials and its activities. As a result of this re-engineering in student government there

Table 1. Contextual variables of Kenyatta University transformations.

Transformation focus	Positive outcome	Contextual constraints
Policy development	<ul style="list-style-type: none"> ● Strategic plan in development 	<ul style="list-style-type: none"> ● Policy deficit ● Personality-based changes ● No participatory decision-making ● Viewed as mere 'changes' or 'initiatives'
Chancellorship	<ul style="list-style-type: none"> ● Non-political appointees ● De-politicisation of governance ● Institutional autonomy 	<ul style="list-style-type: none"> ● Role conflict with council chair ● Undefined role; sometimes an executive
Vice-chancellorship	<ul style="list-style-type: none"> ● Merit appointment ● Performance contract 	<ul style="list-style-type: none"> ● Insider recruitment ● Under-representation of key stakeholders in the search
Administrative Reconfiguration	<ul style="list-style-type: none"> ● Income-generating programmes ● Mergers and downsizing ● Cost savings 	<ul style="list-style-type: none"> ● Functional misalignment ● Loss of faculty power
Union registration	<ul style="list-style-type: none"> ● UASU and UNTESU Unions ● Collective bargaining ● Academic freedom strengthened 	<ul style="list-style-type: none"> ● Non-legal IPUCCF varsity bargaining unit ● Staff welfare not a reform focus
Revitalised student leadership	<ul style="list-style-type: none"> ● Guild system for KUSA ● Senators ● Financial authority ● Modern office space ● Decreased student riots 	

was a sharp decline in student-initiated disruption of learning. Instead the disruption of learning had occurred due to strikes and boycotts initiated by the academic staff union leadership.

In closing this first section on university transformation, a summary highlighting the main attributes of the changes, the perceived positive outcomes and the identified contextual constraints are presented in Table 1.

Commercialisation of learning

Commercialisation of learning was reflected in a variety of initiatives, including the privatisation of academic programmes, the privatisation of accommodation and auxiliary services and the creation of Income Generating Activities (IGA).

Privatisation of academic programmes

The SSP was the most conspicuous manifestation of the privatisation of academic programmes in all public universities and, as Table 2 shows, the growth had been phenomenal. Under SSPs students were admitted as private students, did not receive government subsidies or loans and had to pay full tuition costs. Learning was either through evening programmes, sandwich programme involving distance and face-to-face teaching and online learning delivery through Kenyatta University E-Learning (KUeL). The most popular was the evening programme, and due to the large demand the university received in early 2005 it purchased two high schools and converted them into constituent campuses. Thus, SSPs had contributed to institutional growth from a single campus institution to a multi-campus university.

Views on the privatisation of academic programmes were mixed. Senior university administrators were positively inclined towards SSPs given the revenue generated for the university. In

Table 2. Student enrolment by type of admission and gender.

Institution	2000/2001		2001/2002		2002/2003		2003/2004		2004/2005	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Nairobi	10,532	4,302	15,426	9,270	16,200	9,489	16,991	9,720	21,268	11,706
JAB	8,383	3,341	8,724	4,450	9,163	4,428	9,603	4,406	9,987	5,250
SSP	2,149	960	6,702	4,820	7,037	5,061	7,389	5,314	11,281	6,456
Kenyatta	5,942	4,010	6,831	4,984	10,737	4,998	10,753	5,023	11,252	4,803
JAB	4,510	3,019	5,384	3,983	4,972	3,329	5,221	3,495	4,313	2,887
SSP	1,433	991	1,447	1,001	5,765	1,669	5,532	1,528	6,939	1,916
Moi	4,753	3,766	5,469	3,869	6,275	4,549	5,804	4,643	6,796	5,214
JAB	4,046	3,163	4,066	3,179	4,086	3,195	4,107	3,211	4,304	3,195
SSP	707	603	1,403	690	2,188	1,354	1,697	1,432	2,492	2,019

Note: JAB, Joint Admissions Board; SSP, Self-Sponsored Programme (Source: Republic of Kenya 2005, 51)

2004, the university raised nearly Ksh 1 Billion (US\$14 Million) which enabled it to fund the 2004 faculty salary increment after the state failed to do so; SSP revenue contributed to institutional stability and labour relations harmony. Academics supported the programme from two dimensions. First, additional salary earned by teaching through the SSP had raised their income levels and enabled them to spend more time on campus rather than moonlighting in private universities and colleges. Second, it provided for those who could not enrol for university studies in the traditional mode. This demand-driven enrolment also allowed the academic departments to re-examine, modify and innovate curricula: 'I could call it a revolution whereby most of our institutions are looking for market-driven programs and these programs seem to target across the population' noted one dean. Academics were willing to modify their hitherto elite view of university admissions to more egalitarian and instrumental ones.

Privatisation of academic programmes had also become a sphere of contest among the stakeholders. The signposts of the conflict were in massification and threat to academic quality; financial devolution, workload and staff welfare issues. Threat to academic quality emanated from the rapid enrolment of privately sponsored students which was not commensurate with an equal increase in the number of teaching staff, library and laboratory facilities as well as staff development opportunities. At KU's main campus, no new buildings had been constructed since the mid 1990s, even though the number of students had doubled. Some academic members lacked offices while in some cases up to four academics shared one office. Computer facilities for faculty were non-existent, as were phone services in the offices. Bottom line considerations superseded academic quality considerations.

Excessive workload was a negative outcome of SSP expansion especially for newly recruited academics. These new hires, most in possession of a master's degree, were required to register and work towards their PhD programmes as part of their staff development activities. Lena, with whom the researcher had a chance to have an extended conversation about her experience teaching at the university in the last two years, epitomised the situation confronting junior academics. She joined one of the high SSP-demand departments at KU in 2003 on a staff development position. Her contract stipulated that she would spend her time teaching and pursuing doctoral studies at the same time. Failure to demonstrate successful progress in doctoral studies would lead to non-renewal of her contract.

By 2004, Lena had little to show by way of progress in doctoral studies but a lot by way of teaching and producing learning modules for SSP students. She had been teaching all year round

including summer vacations with no release time. And her class sizes were large, sometimes over 100 students in a single class. In June 2005, she decided to regain the initiative and commence her doctoral studies programme. Contrary to her expectations, the chair informed her in no uncertain terms that not teaching in the summer semester is not an option in the department given the high number of SSP students who had signed up. He followed this verbal declaration with an internal memorandum, copied to the school dean and the university vice-chancellor, asking her to report for third semester teaching duties. Lena's case symbolises the contradictions that junior academics encounter in the new dispensation. Hired as part of the strategy to enhance revenue generation, they are required to teach continuously. Required to enhance institutional prestige and reputation, they are expected to engage in staff development activities including the attainment of doctoral degrees and undertake research.

Another workload-related conflict issue was compensation for support staff. While academics, departmental chairs, programme directors, deans and senior university administrators, received extra compensation for revenue generated from SSPs, the same was denied to other support staff. Middle level administrators, library personnel, clerical and secretarial staff were, instead, required to take time off from work in lieu of financial compensation. This generated a feeling of resentment towards the entire SSP among the support staff contributing to strained labour relations.

A disruptive point of conflict was the revenue sharing between the central administration and income-generating centres. Under the financial devolution agreement units generating revenue would retain 35% of the income earned while the rest would be retained by the university. The failure by the university administration to implement this financial devolution policy had precipitated tension leading to two incidents of work stoppage by faculty teaching SSPs between May and August 2005. This memo from the academic union to the members highlights institutional instability arising from this conflict:

Following the University Central Administration's renegeing on the devolution of the 35% Service Provider Policy, it was unanimously resolved at an UASU meeting held on **Monday 8 August 2005** as follows:

- (1) ALL members of UASU **will not** invigilate exams, mark exams, teach SSPs (Self-Sponsored Programs) and Open Learning till the devolution of 35% service providers is effected
- (2) UASU members **will not** sign any contract letters from SSP and Open Learning till the devolution of the 35% Academic Service Providers is implemented
- (3) All UASU members shall be meeting daily at the **Graduation Square** beginning **Tuesday the 9 August 2005 at 9.00 am** to review the way forward.

The growth of SSPs had not been without practical organisational changes in coordination. Programme coordination was one of the most challenging managerial hurdles confronting the programmes. For one, a multiplicity of administrative structures to run the programmes resulted in conflicts over role and responsibilities among the various heads of departments. As Figure 1 demonstrates, admission into SSPs was via different programmes and offices, each of which had a director. The myriad of offices coordinating the running of SSPs was the source of conflict over timetabling, appointment of adjunct faculty, scheduling of site visits outside campus and financial jurisdiction over revenue derived from the programme. Additionally, some programmes had grown considerably, outstripping the resources – human and otherwise – available to coordinate them:

It was a very good idea but we started quickly and big such that we find that we have very many programs cutting across the region to the entire country. So we have eight centers. Not only maintenance but also equipping them adequately is not easy. Because we started rather hurriedly, teaching materials are not ready' noted one dean.

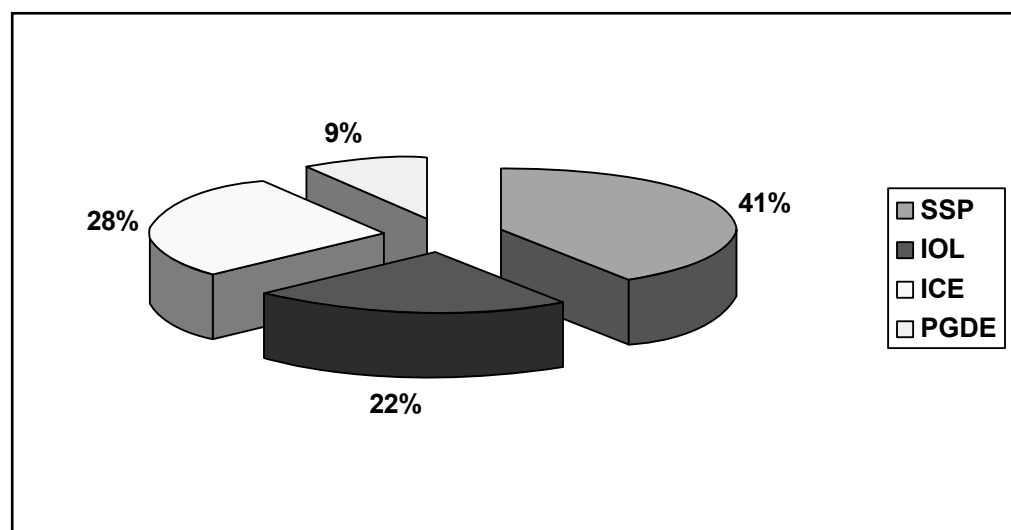


Figure 1. Proportion of students in SSP by admission mode, 2005 (Source: Kenyatta University 2005, 2).
 Note: SSP, Self-Sponsored Programme; IOL, Institute of Open Learning; ICE, Institute of Continuing Education; PGDE, Post-graduate Diploma in Education.

Not all departments had a smooth sailing in starting new courses and 'turf wars' were paramount where two departments made claim to the same course. The turf war between the Geography Department and the Department of Textile and Family Consumer Sciences over both tourism and leisure management courses confirmed how easy it was for such conflicts to arise. In a bid to generate revenue and increase enrolment, the Geography Department, in early 2004 started a course in Tourism Management which covered all aspects of travel and leisure management. Towards the end of the year the Department of Textile and Family Consumer Sciences inaugurated a Leisure Management course covering the same content as the tourism management course. Conflicts over territory were cited as both departments competed for the same students and allocation of funds for module development.

Conclusion and recommendations

Dynamics connected to external and internal factors provided the impetus for university transformation, from a fully funded public university towards a more market-oriented university with a growing private revenue base and a complex organisational form. Donor demands for increased role of private resources and market forces in education finance coupled with global tendencies that favour these trends have been the most conspicuous external drives shaping the reforms. Social demands for higher education and state budgetary rationalisation requirements have been the most significant internal pressures for reforms. These factors mirror those identified by Levy (2006) and Slaughter and Leslie (1997).

A multiplicity of strategies was employed at KU to meet the goals of a market university. Among the university stakeholders, these strategies elicited anxiety. Even with the strategies in place there was a perceived absence of a firm policy, especially at the institutional level, to guide the transformation. Consequently, marketisation and privatisation strategies were deemed to be driven by the personality of the university chief executive.

The corporatisation of the university management was associated with role conflict between the depoliticised university chancellor and the council chair owing to the absence of well defined

demarcation of roles and responsibilities. Furthermore, the first competitive market-based search for the university vice-chancellor, the chief executive, had failed to recruit an outside transformational leader. Administrative reconfiguration involving mergers and downsizing gave rise to departmental misalignments accompanied by loss of faculty power in university governance. While a revitalised student leadership led to the decline in student-led disruption of learning, the registration of faculty and staff unions failed to legitimise the collective bargaining process leading to instances of disruption of learning. Similar decline in faculty power, due to a shift towards an entrepreneurial/managerial model of university governance, has been noted in the USA by Stromquist (2007).

Consistent with findings in USA (Stromquist 2007), South Africa (Ntshoe 2004a, 2004b), Australia and the UK (Slaughter and Leslie 1997), commercialisation of learning was extensive and entailed the privatisation of academic programmes through the admission of privately sponsored students alongside state sponsored ones. While it contributed revenue to the university, massification also became a contested ground between the faculty and administration on the one hand and between the administration and staff on the other resulting in disruption of learning. The faculty-administration conflict was centred on academic quality, excessive workload, compensation and shared benefits and disruption of learning. Compensation and shared benefits defined the staff-administration conflict.

The goal of becoming a fully fledged entrepreneurial university with a broad array of income-generating activities spanning across the entire spectrum of the university had not borne much fruit. To a certain degree this is congruent to Levy's (2006) notion of 'limited marketisation' where ethos embedded in academic organisation impose constraints on the marketplace, thereby hampering the development of successful business enterprises.

That said, university transformation is a complex and systemic activity that touches the entire fabric of the institution, stakeholders included. To minimise tensions, mistrust and disruption of learning, there is a need to involve all the stakeholders in the development of policy, the decision-making process and the implementation of the changes. At the national level, it is critical that the state involves the university leadership in the development of policies related to income-generating activities, costing of academic programmes and the value of loans given to students. At the institutional level, policy making needs to encompass all units and focus on their role in income generation as well as the sharing of the rewards and benefits.

There is need for a dynamic and visionary leadership to steer the institution as it navigates the turbulent waters of the marketplace. Such a leader should have a clear knowledge of the limits of an entrepreneurial university granted the dictates of academic ethos. It was noted that in spite of the impressive strategies to hire such a person from the open market, this was not achieved as an ultimate insider was recruited. A reconsideration of the search process is a good way to rectify this anomaly. Equally important for leadership is the need to clarify functions and roles of emergent offices to avoid conflicts and duplication of work. The university would benefit a great deal if the offices of the chancellor and council chair, and those of the deputy vice-chancellors and their respective registrars were clarified or even consolidated.

There is a need to provide a regulatory oversight to avoid wasteful competition and duplication within the national higher education system. There is a lot of inter-university competition involving all universities – public and private – leading to duplication of programmes as they focus on a limited niche of clients. This may be the outcome of the marketplace; inevitably it is chaotic. However, some regulatory oversight, perhaps through the Commission for Higher Education, can bring some sanity to the market. This regulatory oversight needs to be applied internally by the universities. As we have seen, unbridled competition for market share through academic programmes can lead to a situation where two academic departments are offering the same course but under different names.

This study surveyed just one segment of the Kenyan public university. With seven public universities in place and all of them taking the market university route, it is important to extend this study to capture the experiences of these other institutions. Incorporating other public universities in such an investigation would provide us with lenses to assess conditions under which the effects of location, history and programme are relevant to the evolution of a market university. Furthermore, additional studies could also focus on public–private university dynamics in the development of market universities as two groups of institutions compete for the same limited niche of clients.

Our study also limited itself to leaders, senior administrators, deans, department heads, union leaders, student leaders and senior scholars. No data was collected from regular faculty, staff and students. The findings capture only the perception of a limited number of stakeholders in the university. There is need for a study that will capture the views of the groups that were excluded from this study.

Notes

1. Though different in meaning, in this paper the words transformation and reform are used interchangeably to denote the changes that have occurred in Kenya's public universities in the age of marketisation.
2. In this study, we use the term 'marketisation' to refer to any market-like behaviour. We make no distinction between marketisation and quasi-marketisation.

Notes on contributor

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