Higher Education Finance and Cost-Sharing in Egypt

I. A Brief Description of the Egyptian Education System

Egypt operates two parallel education systems: The secular system and the religious, or Al-Azhar system.

The Secular System

Whether private or public, the schools in the secular system are organized as follows:
(1) The first level, known as basic education, is mandatory for all children\(^1\). It covers the first 9 years\(^2\) of education and consists of six years of primary and three years of preparatory school.
(2) The second level divides students between three-year general academic secondary schools (university track) and three or five-year vocational schools.
(3) The third level is comprised of all post secondary education institutions including universities and 2 or 4 years degree granting non-university higher education institutes. Universities also include teacher training colleges that previously had been separate institutes.

Higher education sector

The higher education sector in Egypt is comprised of universities and institutions of technical and professional training\(^3\). In 2007-08, the system was made up of:

- 18 public universities (including Al-Azhr University), and six branches which will become independent universities soon,
- 16 private universities,
- 13 public non-university institutions made up of 8 Technical college (used to be 45 two-year middle technical institutes (MTI)), and 5 four or five-year higher technical institutes\(^4\),

\(^1\) The government does not enforce laws requiring primary-school-age children to attend school. In some areas up to 50 percent of the formally enrolled children do not attend classes regularly. See Egypt country studies at: (http://countrystudies.us/egypt/71.htm)
\(^2\) The number of years of primary education was reduced to eight years in 1988/99 to compensate for the government’s failure to provide enough capacity and teachers to meet the educational requirements particularly in rural areas. As a result, both 5\(^{th}\) and 6\(^{th}\) graders were promoted to the preparatory level. This was, in turn, reflected in a huge jump in the number of students admitted to higher education in 1995/96. Primary education was restored back to nine years in 2005/2006, which means that in 2012 only students who will be repeating the secondary final exams or who will have graduated from a foreign high school will be admitted to higher education. For more information see: Nahla M. El Sebai, The Egyptian Higher Education System: Towards Better Quality in the Future, available at: http://www.jfs.tku.edu.tw/11-2/5-egypt.pdf
\(^3\) All numbers in this document have been updated according to the most recent indicators for Census 2006 available from Central Agency for Public mobilization and Statistics, Egypt: Cairo (2007), and the ministry of higher education. Note that the system is constantly changing, particularly the number of private universities is rising every year.
96 private institutions: Only 8 of them are two-year middle technical institutes (MTI), 4 institutions offer both two and four-year degrees, while 88 institutions are four-year higher institutes,

11 non-university institutions established by other governmental entities (not the Ministry of Higher Education) or under special agreements, and

2 private foreign institutions: the American University in Cairo (AUC) established 1919, and the Arab Academy for Science and Technology and Maritime Transport (AASTMT) established in 1972.

Therefore, higher education in Egypt is composed of public universities (dominant and large), public non-university institutions (small and limited), a number of small private universities and a large number of private non-university institutions.

Depending on the field, a Licence (for humanities, arts and law degrees) or Bachelor’s (for sciences, professional and technical degrees) degree is obtained after four to seven years of study. The Masters degree usually requires two to three years of study beyond the bachelor/Licence and typically requires a thesis particularly for those who have the intention to apply for a doctorate in a public university. The highest degree is the Doctorate. It takes at least three years including two years of research, beyond the masters, and a dissertation.

Industrial, commercial, and technical institutes provide two-year courses leading to diplomas in accountancy, secretarial work, insurance, computer or health sciences and electronics. Graduates of the two-year middle institutes can proceed to university education according to their field if they receive a minimum grade of “good”; they are admitted into the second year at the university (i.e. the 2 year diplomas will count toward the university degree as one year). Technical education schools provide 4 or 5-year courses leading to advanced technical education diplomas in commercial, industrial, and agricultural fields.

**Private Universities**

Although the American University in Cairo (AUC) and Arab Academy for Science and Technology and Maritime Transport (AASTMT) have existed as private universities, Egypt only legalized Egyptian private universities in 1992 when the People’s Assembly passed a Law # 101 allowing the establishment of private universities. The first four private (for profit) universities were open to students by 1996.

Law sets forth various regulations to exert a minimal level of government control. For example, the Minister for Education must approve the appointment of private university presidents, and non-Egyptians cannot occupy leading posts in private universities without the ministry’s approval. In addition, the Private Universities Council directly supervises private universities and is responsible for monitoring standards to ensure that graduation certificates from state and private universities represent an equal education level. The council also has the power to

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7 Although prestigious, both AUC and AASTMT are not really universities as per definition. They can better be described as a college or a non-university institution. In addition, they have a limited capacity (AUC enrolled only 6577 students in 2007-08) and offer very limited degrees.

8 “Education System in Egypt” Available at [http://firewall.unesco.org/iau/fr/edu_egypt.html](http://firewall.unesco.org/iau/fr/edu_egypt.html)
regulate private universities admission criteria, curriculum and the numbers of students to be admitted each year not only in accordance to the capacity of each university but also to cap the number of graduates in certain majors.

Frequently, private higher education in Egypt is mistakenly interpreted as a new phenomena (relating only to the new private universities law), but private non-university higher education institutions existed for many years. Private non-universities institutions absorbed almost 23 percent of the total enrollment of higher education in 2002/20039, in addition to the AUC and the AASTMT as mentioned above. It is also worth noting that Cairo University was first established as a private University in 1908. However, graduates were not able to find jobs in the government, because the Ministry of Public Education refused to recognize its degrees. Faced with the risk of closure, university officials submitted to the ministerial decree in 1923 and became a public institution.

Private universities in Egypt can be divided into two main categories. The first consist of a highly prestigious, and extremely expensive private universities. They are generally established under a particular agreement between the Egyptian government and the government of another country or a partnership between Egyptian investors and a prestigious non-Egyptian university. The second category consists of less expensive and of lower quality universities. They are perceived by many scholars as institutions that “sell” degrees to those who can afford them10. Private universities enroll less than 3 percent of total university students and none of them (with exception to the German University) offer a Ph.D. or doctorate degree including the AUC.

Tuition fees in private universities range from 5,000-45,000£E per year depending on the major of study11. The American University in Cairo, the oldest private university in Egypt, charges tuition fees that range from 30,000 – 43,000 £E for 12 credit hours per semester and 2,494 £E for each additional credit12.

**The Al-Azhar Education System**

Al-Azhar system enrolls 11 percent of the country’s total students at the pre-university levels, and is responsible for conveying the mission of Islam and revealing its contribution to humanity’s welfare and progress. In this system, primary school extends over the first six years, and preparatory school for the next three years. The secondary school extends to four years of schooling.

**Al-Azhar University**

Al-Azhar University, the world’s oldest continuously functioning university founded in A.D. 970, constituted the core of the Egyptian educational system until the 19th century. Al-Azhar University used to offer three majors only (Islamic studies, Arabic Language, and Sharia or Islamic law) but law no. 106 in 1961 allowed for Al-Azhr University to establish non-religious

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9 See [http://www.albany.edu/dept/eaps/prophe/data/national.html](http://www.albany.edu/dept/eaps/prophe/data/national.html) for more detail on about Egypt' higher education enrollment


11 Data collected from different private university websites. For a list of private universities and their website visit: [URLs: http://www.egy-mhe.gov.eg/private.asp](http://www.egy-mhe.gov.eg/private.asp)

majors such as pharmacy, medicine, education, and commerce. Al-Azhr University is the largest university in Egypt in terms of number of enrollment which reached about 366,000 students in 2005/2006, approximately one fifth of the total university students. It comprises 64 faculties.

In order to be admitted to Al-Azhar University, students must hold a Secondary School Certificate from the Al-Azhar education system and a Certificate of Koran Recitation from a Koran Recitation Institute or hold an Al-Azhar diploma.

The university’s main campuses are located in Cairo, but it also has two branches in Alexandria and Aswan in addition to a number of higher education institutions and faculties spread nationwide in 14 different governorates. The Al-Azhr educational system maintains separate facilities for male and female from primary to university level.

Access and Participation in Higher Education

Egypt, which has one of the largest higher education systems in the developing world (2.753 million students in 2006/2007), relies on two-year technical institutes to provide access to all secondary school graduates while protecting the already overcrowded public universities. However, due to inadequate financial, human, and material resources, most of these institutes provide poor quality education and are perceived by some observers as no more than “academic parking lots” for surplus students.

Approximately 28 percent of the 18-22 age groups (of which 49 percent were females) are enrolled in higher education. About 77 percent attended universities, and 23 percent were enrolled in non-university sector institutions. The majority (77 percent) of all students attended public institutions.

Entry into the secular university system is based on the results of the last two years of Secondary National Examination “Thanawiyah Amma”, and is highly competitive. Traditionally, only students attending general academic secondary schools were eligible to matriculate; however since 1970 universities have been enrolling some students from vocational schools. Vocational high school degree holders are, however, limited to faculties in their concentration. For example, graduates from commercial high school can apply only to commerce faculties.

The Enrollment Coordination Office headquarters (ECO) in Cairo University’s student hostels building, along with the ECO’s eight other branches distributed nationwide, is responsible for the future of more than three hundred thousand high school graduates yearly. Students are classified on the basis of their “Thanawiyah Amma” exam scores, which restrict the programs to which they can apply. Each student buys an LE30 (US$5.5 in 2008) package, which contains several application forms and a guidebook listing the names and locations of all of the available schools.

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13 Osama A. Megahed & Radwa Salah, (2006). The reality of higher and university education in Egypt: Descriptive study in Osama Megahed (Ed). Higher Education in Egypt: the present and the future (in Arabic) Papers presented to the 18th annual conference of policy research, Center for Political Research and Studies, Faculty of Economics and Political Sciences, Cairo University, Egypt.
nationwide. These applications are sent by the ECO office to the universities' computer center, which sorts students according to the minimum admission score set for each school by the Supreme Council of Universities.

In 2005, the ECO started to apply an online admission system along with face to face admission as a transformation phase and from 2008 applications were completely electronic. According to the online application, student will login with a secret number that was assigned for her/him and will then be prompted to a list of some faculties that will accept her/his grade within universities in the student’s geographical residence area.

In May 2008, the Ministry of Education and the Ministry of Higher Education held a conference aimed at changing the admission policies to ensure objectivity and flexibility for students. Their proposal suggested limiting the “Thanawiyya Amma” exams to the last year of high school only to relieve the cost burden of private tutoring on parents. The proposal also suggested the introduction of a computer based entrance exam at the university level that would allow for a better evaluation of student qualifications and would enable students to exit and then return to the universities. During the conference, it was agreed that the admission through the ECO is not adequate and should be abolished. While experts and attendees disagree on the effectiveness of the ministries proposal as well as on the consequences for equity and enrollment, the conference approved the ministries suggestion, which will immediately be implemented by restructuring the secondary education exams.

Equality of opportunity to access higher education is always a concern in Egypt. Studies on the social class and educational backgrounds of public university students have revealed inequalities of access to what are considered to be high status/elite faculties. Studies have indicated that most students in these faculties attended prestigious private secondary schools. This is because graduates of such schools generally do very well on their final secondary school examinations, which ensures them access to what are considered as elite faculties. As of 2001, statistics show that 98 percent of graduates from secondary schools enter higher education, but the problem is where these students are able to enroll.

**Governance and Control of Higher Education**

There are four organs for governance and control of higher education in Egypt:

- **The Ministry of Higher Education** has jurisdiction over higher education through supervision and coordination of all post-secondary education, planning, policy formulation, and quality control. It also oversees teacher training for basic education.

- **The Supreme Council of Universities**, founded in 1950 according to the royal decree No.496, formulates the overall policy of university education and scientific research in universities, determines the number of students to be admitted to each university faculty and coordinates the public universities. It is presided over by the Minister of Higher Education and State Scientific Research.

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The Private Universities Council formulates the overall policy of private university education and determines the number of students to be admitted to each university faculty, the maximum tuition to be charged, and admission criteria.

Supervision and administration of the Al-Azhar higher education system is the responsibility of the Central Administration of Al-Azhar Institutes, which is a department of the Supreme Council of Al-Azhar that is responsible for the development of the general policy and planning to enable the propagation of Islamic culture and Arabic language through Al-Azhar higher education system20.

Financing Higher Education in Egypt

In official discourse, education in Egypt is “free” from basic to higher education. The government used to provide all funding needed to both education systems i.e. secular and religious. Only parents of children who attend private schools pay tuition fees21. However, the state’s share of higher education finance for universities was reduced to 85 percent in 1994-1995, leaving the universities to generate the remaining 15 percent through various revenue diversification strategies. The number of applicants in most degree programs in public universities exceeds available spaces, a phenomenon which gives space for universities to charge tuition.

Revenue diversification strategies adopted by Egyptian universities include:

a) Charging high tuition fees for alternative academic programs that are perceived to be of high quality and introducing other relevant fees. For example, state universities have introduced foreign language programs for which they charge tuition. Some public universities charge 3,000£E as tuition for a degree program in Commerce which uses English as a medium of instruction in addition to about 2,000 £E in mandatory book fees22. The revenue of these programs is treated differently than the general public revenue generated by any public institution. They are established under the so called “Private Unit” therefore 75 percent of the revenue stays in the program itself (i.e. not to be sent back to the ministry of finance), 20 percent goes into a special university account called “special funds”, and 5 percent goes to the Ministry of Finance. The 20 percent which is allocated to the “special funds” is used by the university to cross-subsidize other programs, departments, activities and/or funding financial aid for needy students enrolled in the same university23.

b) Charging nominal fees for all students. Egyptian students pay between 30£E -150£E per year as a token fee for non-instructional services in the general programs in government funded universities. In addition, they also pay for necessary equipment, books, transportation, and residence fees24. The practice of charging token fees in Egyptian public universities goes as far back as 1924 when the Egyptian University (now Cairo University) started charging 30£E

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22 Cairo University: [http://www.cu.edu.eg/](http://www.cu.edu.eg/) [in Arabic].
24 the World Bank (2000:40-41)
per year then for all faculties. The university also imposed a non-refundable examination fee of £E25.

c) Dual Track Policies: in 1995-96, the government introduced a new admission criterion that applies to the faculties of Law, Commerce, and Arts and allows less qualified students to obtain places by paying ££££E in addition to the nominal fees paid by regularly admitted students. The percentage of students admitted by this policy is set to be one third of the total admitted students in each faculty, however any student who receives a “good” grade (roughly equivalent to a B) is allowed to transfer to the regular track. The impact of this practice on the quality has been negative as manifested by a high number of repeating students in universities. This dual-track policy of education has generated many conversations about quality but also considerable alarm lest it signal government’s withdrawal from its commitment to tuition-free education. According to the law, the money generated from such fees is distributed in three different areas--55 percent stays in the department that implemented the dual track system, 20 percent goes to other departments in the same university, and the rest is used by the universities for means-tested grants for needy students.

d) The running of Open Learning Centers, which are considered as private units owned by a public university. The open universities are known as parallel education “Taleem Mowazy”. Student holding a high school certificate up to 10 years old can apply to this tuition based universities. The open university programs use the public universities facilities during the weekends. Currently, there exist four open universities in Egypt.

e) Diversifying educational products. The Ministry of Higher Education is currently pursuing a number of projects to diversify the educational products that it offers. For example, Cairo University has agreed to allocate a building to house a proposed Egyptian E-learning University, while three other universities have been chosen to participate in the first phase: Ain-Shams, Assiut, and Tanta. A marketing and promotion plan is being implemented, and this new e-university is expected to admit students in September 2009. A specialized technical school is being planned in Tenth of Ramadan City to meet the increasing demand for qualified technicians in textiles, ready-made garments, leather, food industries, electronics, and chemical materials industry. There are also plans for establishing a new Industrial Engineering College in the Tenth of Ramadan City26.

f) Income generation by specialized university centers from:
(1) cooperation with industry;
(2) patent rights;
(3) provision of continuing education to industrial employees;
(4) access to laboratory and scientific equipment;
(5) manufacturing intermediate industrial products;
(6) extension services
(7) language instruction, and
(8) private donations, especially for student fellowships.

Student Loans in Higher Education in Egypt

In 1998, the *International Finance Corporation (IFC)* conducted an extensive feasibility study on *the market for student loans in post-secondary education in Egypt*. This study recommended *against* launching a student loan program due to the following reasons: (a) limited market size; (b) underdeveloped debt/credit market; (c) cultural attitude uncomfortable with personal debt and loans; and (d) lack of a consumer credit agency.27

The above recommendations notwithstanding, the Egyptian Government by the year 2000 established a *100 million Egyptian pounds loan program* for needy university students. Under this proposed loan scheme, students who can *prove* that they are in need of financial assistance for education-related expenses was eligible to receive up to *1000L.E. per year* in government loans. The loans were to be interest free and repayment to be spread out over a period of 40 years after graduation.28 While university officials have applauded the proposed student loan scheme, they were wondering how the already overpopulated universities will cope with the influx of more students who will take advantage of the new loan scheme. Nevertheless, the program was a failure lasted only for one year. Students who were given loans were forgiven.

Currently, the “Crédit Agricole Egypt” bank is planning to establish a private student loans program by partnering with the *International Finance Corporation (IFC)* which will share the risk on the portfolio of loans. The loan will be originated and managed by the bank on a commercial basis with a max size of US$39 million dollar. Students borrowing from the program will be Egyptian students attending private universities located in and around Cairo only.29

Problems and Challenges in Higher Education in Egypt

Problems and challenges in Egyptian higher education system are analyzed in the World Bank’s *Higher Education Enhancement Project*, which is a part of a comprehensive reform strategy for higher education in Egypt. The higher education reform agenda was influenced by the National Conference on Higher Education, held in February 2000, and aims to address Egypt’s need to upgrade educational quality in the university sector.

Egyptian higher education sector faces a number of challenges including: (i) antiquated system-wide governance and management; (ii) low quality and relevance at the university level; (iii) low quality and relevance at the middle technical level; and (iv) limited fiscal sustainability of publicly financed enrollments.

The problem of financially unsustainable enrollments is related to the dramatic increase in enrollments in university education. For example, enrollments increased by 42 percent between 1997/98 and 1998/99 leading to an 8 percent decline in per-student spending that exacerbated disparities in resource allocation between faculties (World Bank, 2002:41). While the overall expenditure on education as a proportion of GDP has grown from 3.9 percent in 1991 to 5.9

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27 World Bank, 2000 P. 41.
29 [http://www.ifc.org/ifcext/spiwebsite1.nsf/1ca07340e47a35cd85256efb00700ccee/A1959CACF2A2E764852574500077047F](http://www.ifc.org/ifcext/spiwebsite1.nsf/1ca07340e47a35cd85256efb00700ccee/A1959CACF2A2E764852574500077047F)
percent in 1998 with higher education receiving a 28 percent share of total expenditure in 1998, the dramatic growth of the higher education student population in Egypt poses a serious problem in financing higher education. The government has no financial ability to do this, let alone the overstretched limited capacity of the higher education sector.

**References**


Education development conference in Egypt, written by Egypt news Sunday 11 May08. retrieved August 1, 2008 from:  

Education System in Egypt Available at http://firewall.unesco.org/iau/fre/educeg.html

Egypt country studies at: http://countrystudies.us/egypt/71.htm

Egypt Private Higher Education Statistics:  
http://www.albany.edu/dept/eaps/prophe/data/national.html


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See http://www.ed.gov/offices/OUS/PES/int_egypt.html

Other helpful websites:

The American University in Cairo:

http://www.frcu.eg/www.supreme.html

http://www.scu.eun.eg/historical.html

http://www.ed.gov/offices/OUS/PES/int_egypt.html

Cairo University: http://www.cu.edu.eg/ [in Arabic].
Links to Public Universities in Egypt:

1 Cairo University, 1908
2 Alexandria University, 1942
3 Ain shams University, 1950
4 Assiut University, 1957
5 Tanta University, 1972
6 Al Mansoura University, 1972
7 Al Zagarig University, 1974
8 Helwan University, 1975
9 Al Menia University, 1976
10 Al Menofia University, 1976
11 Suez Canal University, 1976
12 South Valley University, 1994
13 Banha University, 2005
14 Fayoum University, 2005
15 Beni Sweif University, 2005
16 Kafr El-Shiekh University, 2006
17 Sohag University, 2006