

STRATHMORE UNIVERSITY VICE CHANCELLOR'S SPEECH ON THE OCCASION OF THE AWARD OF THE CHARTER BY HIS EXCELLENCY PRESIDENT MWAI KIBAKI -23 APRIL 2008

1. Your Excellency President Mwai Kibaki, the President of the Republic of Kenya and Commander in Chief of the Armed Forces of Kenya; The Prime Minister, Rt.Hon Raila Odinga; Your Excellency the papal nuncio to Kenya: Archbishop Alain Paul Lebeaupin; Your Excellencies the Ambassadors; Monsignor Dr Albert Pampillon, the Vicar of Opus Dei in East Africa and the Pro-Chancellor of Strathmore University; Your Eminence John Cardinal Njue the Archbishop of the Catholic Archdiocese of Nairobi; dignitaries; distinguished guests, faculty, staff and students.
2. This day is truly special, because His Excellency the President is present here together with the Prime Minister who is also our Member of Parliament. I wish to take this opportunity to thank your Excellency for coming to the University and presiding over today's ceremony. I also want to join other Kenyans in congratulating your Excellency and the Prime Minister for working together to reconcile our people and to advance national cohesion and peaceful co-existence. At Strathmore we embrace and promote ethnic diversity in the firm knowledge that we all belong to only one tribe, the tribe of the children of God. We appeal to your Excellency and the Prime Minister and to all the political leaders in the country to cultivate the goodwill and trust necessary for the success of the grand coalition government. On our part we promise to continue supporting your efforts with our constant prayer and our professional work well done.
3. For us in Strathmore University, today's occasion marks the ultimate fulfillment of the dream of Saint Josemaria, the founder of Opus Dei, who inspired the foundation of Strathmore as an A-level College of Arts and Sciences in 1961. It was the first racially integrated institution of its kind for men in the country. Saint Josemaria right from the beginning had wanted the establishment of a privately owned, racially integrated university, but the political and social environment did not permit this to happen at that time. So Strathmore College was in fact started as the forerunner of today's Strathmore University.
4. An important part of Strathmore University's history is its close association with Kianda College, which was also founded in 1961 as the first racially integrated post-secondary college for women. The two institutions merged in 1992 when Strathmore College evolved into a co-educational tertiary institution, the immediate predecessor of Strathmore University. The legacy of Kianda College continues as an integral part of Strathmore University.
5. I take this opportunity to pay homage to those youthful members of Opus Dei, men and women, who at the request of Saint Josemaria, left promising

careers in their home countries to come to Kenya during the difficult pre-independence years to begin Strathmore and Kianda. A number of this original group are still serving Strathmore. I wish to acknowledge their contribution to the achievements we are celebrating today. Their hard work, faith in God, coupled with unparalleled foresight and personal self sacrifice helped to shape the rich legacy that Strathmore University has inherited. This heritage is further epitomised by the exemplary lives of hundreds of illustrious men and women who form part of the Strathmore Alumni, and have served our nation with distinction.

6. Strathmore College received its Letter of Interim Authority (LIA) from the Commission for Higher Education on 6th August 2002. From that date the University embarked on a vigorous development programme to design and implement the necessary academic, governance and administrative system. We have been able to recruit highly qualified core faculty in all areas of strategic academic interest to the University. We have designed several innovative academic programmes to train graduates to provide the much needed skills and transformational leadership for the economy of our nation. In addition to providing state of the art learning and teaching facilities to faculty and students, the University has established a quality assurance system for both the academic and administrative processes of the University. The University obtained ISO 9001:2000 certification in 2003, being the only university to have done so in the East African region.
7. The University acknowledges with gratitude the support it has received from the Commission for Higher Education, at every stage of this process of evolution.
8. In developing its programmes, the University concentrates on areas in which it enjoys competitive strength in line with its mission, vision and foundational aims. It also takes into account the Nation's manpower requirements. Currently the university is laying particular emphasis on a few areas of study and research. These include leadership, business management, accounting and finance, entrepreneurship, applied economics, information and communications technology, educational management, health care management, and hospitality and tourism management. Underlying these programmes is the pursuit of the truth, the discovery of knowledge through scholarship and research and service to business and society in an atmosphere of freedom and responsibility.
9. We aim to be a "research" university and to promote research among our staff as part of their normal academic work. Every year the University allocates five percent of its operating budget to research, publications and attendance at scientific conferences by our staff. It is gratifying to note that our staff is taking full advantage of this facility to enhance their research productivity. The University organises annual conferences in many areas of ethics,

business and financial sciences, and ICT. The best known among these conferences are the Annual Ethics Conference, the Annual ICT Conference, and the Annual Microfinance Conference.

10. One of the University's strategies is to create promote interdisciplinary research in a number of practical fields. The University has recently created "Strathmore Governance Centre" which will be a centre of excellence in interdisciplinary research in contemporary governance issues and leadership. The other Centre devoted to interdisciplinary research is the "Strathmore Enterprise Development Centre". The purpose of this centre is to help nurture entrepreneurial culture within the University and to provide entrepreneurial and experiential training to staff and students; it will also give support to SMEs in the country. These two centres will serve as effective vehicles for interface between the University, government and industry.
11. The University has fully embraced information and communications technology. First, we have automated most of our academic and administrative processes through the implementation of an integrated management system. Secondly, we have provided our students and staff with state of the art ICT facilities to support their learning and working objectives.
12. In advancing the use of ICT, we have taken steps to bring other institutions of higher learning along with us. As part of this collaborative effort, the University has recently initiated a partnership project called the "Elimu Project", whose objective is to create a "Community of Institutions of Higher Education" who come together to share the ICT resources already available in Strathmore and elsewhere. This, in the view of the University, is a most effective way to deal with the constraints associated with prohibitive market costs of acquiring and maintaining some of these systems. We invite all interested institutions of higher education to come forward and partner with us and take their places in this dynamic ICT driven world.
13. Your Excellency the President, we seek to train competent men and women who can serve our country with personal integrity, honesty and accountability, thus contributing to social and economic progress. People who can influence the affairs of the world through their professional work and a spirit of service and a sense of justice. The University attaches special importance to the personal mentoring of all our students in order to help them nurture human qualities such as love for one another, sound judgement, honesty, and hard work, a spirit of service, self control, loyalty and responsibility and thus grow in human virtues. For this purpose the University provides a student mentoring service in which every student is assigned a personal mentor for the entire period the student remains in the University.

14. Strathmore has embraced an entrepreneurial response to the challenges of the new environment within which universities operate. We perceive the new challenges we have to address as being the following:
1. To help the Kenyan economy become more competitive internationally through development and commercialisation of research and innovation.
 2. To contribute to local economic and social development.
 3. To prepare students for the “world” especially the “world of work” with all the uncertainties and the complexities that it involves. The future prosperity of our country depends on all our young people, and their parents coming to regard the business sector and in particular setting up their own business, as a valid and realistic career.
 4. To work towards the university-business interface, and to accommodate greater knowledge transfer.
 5. To embrace the “third wave” in the expansion of the university mission in order to be more responsive to the changing needs and circumstances of society. In addition to the two missions of teaching and research, the entrepreneurial revolution adds the mission of economic and social development to the old missions. This third wave in the historical evolution of university mission has led to the emergence of the “entrepreneurial research university”. Strathmore University’s vision is to become a respectable member of this new class of universities.
15. Your Excellency the President, we sincerely commend the government for widening access to secondary school education. This courageous move on the part of the government will in turn create greater demand for university education in the country. This means that expansion of access to university education requires urgent attention.
16. In response, Strathmore University has set as one of its strategic goals to allow able students from all backgrounds the benefit of its education. The University already has a scholarship endowment fund which provides a limited number of bursaries and scholarships to bright and needy students. In order to address access and equity in a more satisfactory way the University, working in partnership with the International Finance Corporation (IFC) and the Commercial Bank of Africa (CBA) we have created a special student loan facility to ensure that no student drops out from studies due to financial reasons.
17. These facilities are not intended to replace, but rather to supplement, the educational loans our students will be able to obtain from Higher Education Loans Board (HELB).
18. We are also contributing to the development of education, specifically educational leadership through our nationwide Teacher Enhancement Programme. This is a social change initiative whose goal is to give back to

the Kenyan educator his or her sense of identity as a major contributor to the moral fibre of the nation. The course covers leadership and management issues as well as the incidence of manipulative cultures that are rapidly engulfing the youth in schools and teacher education colleges. Since its inception four years ago the programme has benefited nearly 2000 teachers drawn from all parts of the country. There are striking reports of innovative change projects undertaken by the beneficiaries from this programme in their respective schools and colleges.

19. Your Excellency the President, ladies and gentlemen, our University encourages its staff and students to initiate and participate in activities aimed at serving and engaging the communities around the University and the Kenya society at large. This is part of the University's commitment to social and human development. I will mention here only three of the many initiatives currently going on.

- First, is the Teacher Enhancement Programme mentioned earlier.
- The second is the Prisons Project that trains prisons inmates, warders and wardresses in accountancy courses offered by the University's Distance Learning Centre. The beneficiaries sit for examinations set by the Kenya Accountants and Secretaries National Examinations Board (KASNEB)
- The third initiative is the Community Outreach Programme which enables our students, staff and alumni to carry out social projects aimed at improving the quality of life of the less advantaged communities living around the university.

20. The University places great emphasis on sports and club activities for our students. This is essential in order to provide our students with an all round education. Currently, Strathmore teams are competing in the Premier League of rugby, basketball and hockey. The University's men's hockey team is the East Africa Clubs' reigning champion; and the University's rugby team is the 2007 Eric Shirley Shield champion.

21. Clubs and Societies provide our students with opportunities for recreation and for exploring and developing their leadership skills. Our students, through their clubs and societies, participate actively in many international and national forums and concerts. For example the Students Choir, Kilele, that has sung here beautifully only returned from South Africa yesterday morning where they participated in an invitational concert at the University of Pretoria.

22. Your Excellency, in concluding my remarks, I would now like to mention some of the factors impeding Kenyan higher education. These factors, which

affect the growth of private higher education institutions, include the classification of education as a tradable commodity by the World Trade Organization and the reunification of the East African Community. This has resulted in a more competitive environment. In many cases, universities from the other member countries of the East African Community are able to provide educational opportunities at a much lower tuition rate. Ugandan tuition rate is considerably lower than that in Kenya. Tanzania is already offering tax incentives to higher education institutions that also will facilitate lower rates. These conditions make Kenyan educational market non-competitive.

23. Therefore, I want to propose a strategy based on three tax incentives that we in Strathmore feel will assist private universities to flourish in this increasingly competitive environment. In doing this I am sure I am echoing the concerns of many accredited private universities in Kenya.

Education tuition waiver.

Many private universities provide this benefit which allows the staff and their families to attend classes in their institutions without paying full tuition. This is geared towards ensuring that the staff and families do not miss educational opportunities for lack of funds. Since the universities only incur a marginal cost for educating these families, the benefit has been a worthy effort and should be encouraged.

This supports the government's desire to educate its citizens and retain revenues within the country. However, this benefit is being subjected to tax by KRA negating the whole intention of the scheme. Additionally, if the taxation was incurred by the employee then in many cases it would not be affordable. For example, a driver with two children in our tuition waiver programme at Strathmore University does not have enough income to pay the taxes KRA is levying and so cannot afford to accept our offer of tuition-free education for his children.

Proposal:

The government exempts this benefit from taxation in support of the universities' effort to motivate staff and provide an educational opportunity that would otherwise not be available.

VAT zero-rating.

The education services are currently VAT exempt which means that universities do not charge VAT on their services. However, they are not eligible to claim the VAT on goods and services procured. Education like healthcare is an essential service for the development of the country.

Agricultural inputs as well as most food products are zero rated. Most costs incurred by the universities except salaries, benefits and food costs are subject to VAT.

Proposal:

Reclassify the education services into the zero-rated category to allow the education institutions to claim back VAT. This will ensure that the released funds will be channelled to making education more affordable. It would also encourage faster growth of private educational institutions.

Stamp duty on land

Capital projects like land acquisitions are subject to stamp duty. Private Universities have to pay heavily for stamp duty on all their land acquisitions. Moreover, many private universities have had to provide public services that should have been provided by the government. Some have built and maintained roads, developed public water and sewer lines, installed transformers, and installed lighting and continue to pay the electricity bills.

Proposal:

Consider exempting educational institutions from stamp duty. Establish a policy that would give universities some form of rebate for providing public services.

24. Finally, on behalf of all members of Strathmore University, I wish to thank all our distinguished guests for joining us on this auspicious occasion. We are especially grateful to the Government of Kenya, which in 1986 granted us the five acre plot in which we started this University. Our gratitude also goes to the European Union who funded the buildings we now use. Due to the rapid expansion the university is undergoing we will need additional land and the upgrading of Madaraka Estate. We thank all those who have expressed solidarity with us by sending us messages of good will. And last but not least I express my personal gratitude to all the students, faculty, the university administration and all our alumni and friends who have in one way or the other contributed to the successful realization of this day.

THANK YOU