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UNIVERSITY OF THE WEST INDIES GRADUATION CEREMONY
SATURDAY, OCTOBER 31, 2015

University of the West Indies Chancellor, Vice Chancellor, Pro Vice Chancellors and Principals,
Officers of the University, Members of the Cabinet, Custos of St. Andrew, Members of the Diplomatic
Corps, Members of the Academic Staff, Private Sector Colleagues, Distinguished Alumni, Graduating
Class of 2015, distinguished Ladies and Gentlemen, Good Afternoon.

Proud parents, grandparents, godparents, siblings, children, other family members and devoted
friends, I congratulate you for your support and stewardship of this fine group of graduands.

I especially, congratulate you - graduands of the Faculty of Medical Sciences, and I salute your hard
work and dedication that brought you here today.

What you have chosen to do is as much a calling as it is a profession. To be a good medical
practitioner or health professional - be it specialist, surgeon or general practitioner, you will have to
show both dedication and compassion – for remember -- in the course of your careers you will
touch a wide range of people -- and their peace of mind, as much as their wellbeing, will rest in your
hands.

I am grateful to the University for this honour bestowed on me and I accept with gratitude and
humility and will wear it with Pelican pride.

The Caribbean Brown Pelican which appears in your (...now our) coat of arms is an interesting bird
and my research concurs with that of yours, Sir George, that both the male and female of the
species are responsible for the safe nesting, delivery and early care of the young. And so it should be.
This devotion to domesticity, contrasts with the other flippant biological fact of the Pelican, that
its beak can hold more than its belly can.
This afternoon in what, happily for all of us, is a very brief address, I want to commend a few of my own thoughts to you on the value of investment in human capital in this increasingly globalized environment -- and our collective responsibility to take it forward for this and subsequent generations of talented students.

I firmly believe that it is not just generosity on the part of those who have experience to want to pass it on, but with the increasing interconnectedness of life, it is a worthwhile and strategic investment for us to promote guidance where we can.

The print, electronic and online media are filled with accounts of promising young people in Jamaica and across the Caribbean -- who, for lack of resources-- are unable to find themselves at this prestigious gathering sitting amongst the graduating class – intelligent, hard-working women and men who are eager for an opportunity to rise to their full potential and contribute to their families, to their communities and to their countries.

Their inability to fulfil their goal for higher education is not due to a lack of dedication; rather, it is likely to be due to a lack of access to the financial resources necessary to meet the requirements of this or any other University. Thus greater pressure is being placed on students to assume responsibility for their education.

Many of our graduates sitting here today are likely to have spent many sleepless nights over the past 5 years, not only preparing for exams looming...but facing a brick wall trying to determine how to meet their financial obligations to complete their degrees while keeping body and soul together.

With this in mind, there is an idea, yet in its infancy, whose time I believe has come; it is time to influence a more direct relationship between industry and academia that will benefit students whose potential might otherwise not be realized.

The idea is based on the premise put forward by Milton Friedman that funding of education should be treated as an investment because it really is an asset.
With education costs rising steadily and a shortage of funds available for student aid, new instruments are needed to finance students who have the capability and desire to realize their full academic potential.

My thought is for the private sector to take the lead on establishing a Human Capital Fund to provide students at the undergraduate and post-graduate level with an alternative source of financing.

This would be an “equity-like” investment which would be more attractive than a student loan, since it relieves the student from having to make fixed loan payments; instead of the student repaying the principal plus interest, the payment due would be a percentage of his or her future income.

Current student loan programmes rely on means tests to determine a student’s suitability for a loan, or they are required to have a guarantor. As a result, some students with exceptional potential are either under-funded or are sidelined.

This Fund, while established by the private sector, would be supported by the University in selecting and proposing candidates, and by the government in facilitating growth of the Fund by granting tax-free status to its investors.

The concept which I am suggesting is not a new one. It is in use in various forms in Universities in the USA, Germany, Australia, New Zealand, the United Kingdom and doubtless in many other places.

The objective is twofold.

i) To remove the trauma from students going out into the world with a heavy debt on their shoulders, which has to be repaid -- with interest -- over a stated period, regardless of their financial circumstances.

ii) To provide another opportunity for those judged to be viable candidates for tertiary education to develop the skills which they have already shown they possess.

In order to access this Fund, no collateral will be required, no guarantor has to be found. The student is provided with an opportunity. If he/she takes full advantage, then he/she
will prosper, and so will the Fund, thereby opening similar opportunities to many more students.

Returns can be paid to Investors, and with the help of Government, these returns can equate to the net return that can be obtained in the Private Sector, leaving an amount that will provide the tuition opportunities for more and more students as the Fund continues to grow and repayments from past recipients start to flow in.

These repayments would only commence:

a) When the individual was earning a certain level of income;
b) Would be a relatively small percentage of his/her income, and
c) Would continue for a stated number of years, whether or not the initial amount received from the Fund, had or had not been repaid in full.

The Fund can be set up to appeal to different types of investors based on their particular area of interest – the law, finance, engineering, science and emerging technologies, with investments guided also by labour market information that identifies areas of need – especially given the need to ensure that our graduates will be employed so that the Fund can grow.

This is the broad concept – and I believe, that with faith in its success, and the knowledge by investors that they will have a larger and more varied pool of educated persons to draw from, for the continued growth of their respective businesses, it will indeed succeed.

This is not an endowment fund – the University already has a functioning Endowment Fund. This proposal is for a long-term investment vehicle – a carefully managed revolving fund, offering investors tax-free dividends on income earned, and I anticipate that the distinguished graduates of this institution (including the honorary ones 😊), members of the private sector, as well as multilateral funding agencies and other donors, would show their full support in capitalizing this fund.

The Human Capital Fund would be managed in the way that you as a private investor or shareholder would expect, with audited financial statements and full transparency. Students will enter into contracts with the Fund for education expenses, and will agree to abide by the objectives of the Fund.
What I propose is a partnership between industry, academia and government that builds our most valuable asset. What better investment than one we can make in the intellectual potential of our own people. Let us be strategic, committed and resolute in finding solutions.

In closing, let me again thank the UWI for this unexpected and much appreciated honour and recognition, and my gratitude goes to those who engineered it. I commend and congratulate the graduating class of 2015, and I wish the University continued success in preparing the people of this region to steer the Caribbean to stability and prosperity.

Thank you.

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