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Financing of higher education in Uganda

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Abstract. Uganda faces severe financial constraints which have resulted in a serious decline in the quality of higher education and the government faces an urgent need to find new sources of finance for higher education. At present virtually all tuition costs and students' living expenses are financed from public funds, whereas families must bear a substantial part of the costs of primary and secondary education. This "inverted pyramid" is inequitable and results in substantial transfer of income from poor tax payers to rich parents and their children. This article considers arguments for increased cost recovery and the introduction of student loans and also considers obstacles to student loans in Uganda.

Background

Higher Education everywhere is now the subject of far reaching and rapid policy change, the biggest problem being shortage of money. The economy crisis in most African countries has resulted in drastic reductions in Government grants to Universities throughout the region, causing a drastic fall in the quality of teaching and learning in virtually all institutions. What Professor Goma, former Minister of Education in Zambia, has termed 'The Wind of Stringency' is sweeping across Africa and beating African Universities and other educational institutions very hard.

Uganda has been no exception. Indeed, the situation in Uganda has been worse than in most African countries. For almost two decades since 1971, Uganda has experienced a period of tremendous political and social instability and drastic economic decline. A large number of Non-Ugandan and Ugandan skilled personnel alike left the country, which led to a serious decline and almost total collapse of the industrial, commercial, and social services infrastructures. The export of the major cash crops: cotton, coffee, tea and tobacco also declined drastically dragging the economy into near subsistence production.

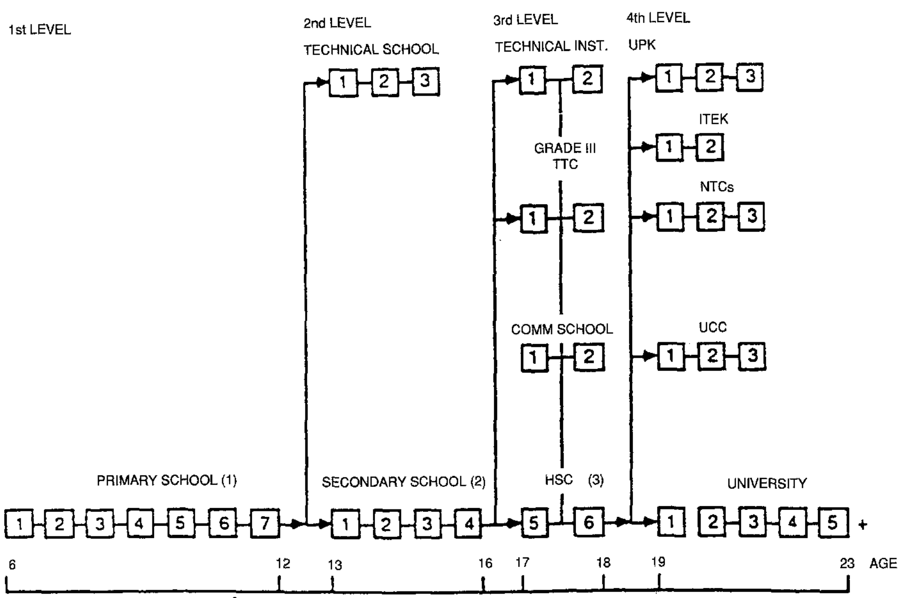
This trend of events has had significant adverse effects on the educational system, the most serious being the low and declining level of public financing, especially for primary education. Total Government expenditure on education (capital and recurrent) which during the 1960s was 20–25% of the public budget has averaged about 12 percent for several years, and owing to inflationary trends, Government expenditure on education has dropped dramatically in real terms over the years. It is estimated that Government resources spent on education in 1988/89 were only 21 percent of what they were in 1970/71, and on a per capita basis, the real value of the 1988/89 expenditure was only 13 per cent of that of 1970/71.[1]

In the face of these economic difficulties, the quality of higher education has been adversely affected through first, the absence of the right mix of enrolments in the different fields of study to meet the priorities of national development; while the nation demands mostly trained scientists, technicians and individuals with managerial skills, it is cheaper and easier to produce graduates in arts and the humanities.

Secondly, there is a critical shortage and near absence of equipment, laboratory materials, up-to-date books, journals and periodical and other inputs necessary for efficient teaching and learning at all levels.

Thirdly, because teachers' salaries and other fringe benefits are very low, it is difficult to motivate, let alone retain some of the nation's best minds and brains in the teaching profession. It is in this atmosphere of severely limited public resources that the financing of higher education in Uganda must be viewed.

Definition, structure and size of higher education in Uganda



Source: Ministry of Education[2]

Notes:

(1) Primary Leaving Examination (PLE).
(2) Uganda Certificate of Education (UCE) - 'O' Level.
(3) Uganda Advanced Certificate Examination - 'A' Level.

Abbreviations:

UPK Uganda Polytechnic Kyambogo.
ITEK Institute for Teacher Education Kyambogo.
TTC Teacher Training College (for Primary School Teachers).
NTC National Teachers College (for Secondary School Teachers).
HSC Higher School Certificate Course.
UCC Uganda College of Commerce.

Figure 1 shows the structure of formal education in Uganda.

The term tertiary or higher education is used in Uganda to refer to the system of advanced education which is offered to students who have successfully completed the full course of secondary education represented by institutions in the 3rd level of the diagram. Thus, Tertiary education is given in Universities, the Institute of Teacher Education, Kyambogo, Uganda Polytechnic Kyambogo, 20 Colleges and other Institutions that are affiliated to them.

	Enrolments
1. Makerere University	6,500
2. Mbarara University	91
3. Institute of Teacher Education Kyambogo (ITEK)	875
4. Uganda Polytechnic, Kyambogo (UPK)	600
5. National College of Business Studies, Nakawa	1,340
6. National Teachers Colleges at Nkozi, Mubende, Mbarara, Kabale, Masindi, Muni, Unyana, Mgetta, Nagongere, and Kaliro	
7. Uganda Technical Colleges at Lira, Elgon Kichwamba and Bushenyi	9,500
8. Uganda Colleges of Commerce at Tororo, Soroti, Aduku, Pakwach and Kabale.	
Estimated Total Enrolment in Higher Education	18,906

Other publicly funded institutions of tertiary education include the Public Service Commission's departmental training institutions, namely:

(i) Institute of Public Administration, Kampala (IPA)
(ii) Uganda Law Development Centre, Kampala (ULDC)
(iii) Uganda Co-operative College, Kigumba
(iv) Agricultural College at Bukalasa, Arapai and Busitema
(v) Forestry College, Nyabyeya
(vi) Fisheries and Veterinary Training Institutes at Entebbe
(vii) Paramedical schools e.g. Radiography, Physiotherapy, Nursing
(viii) Land Survey School at Entebbe.

Unlike the first category of publicly funded institutions, those under (i)–(vi) above admit students not only after Level 3 but also after Level 2. Those under (vii) admit students who have completed the 3rd level, while the first two, namely IPA and ULDC also admit degree holders for their postgraduate professional courses of study.

Privately funded institutions of tertiary education include the following:

	Enrolment
(a) Islamic University in Uganda, Mbale	300
(b) Bishop Tucker Theological College Mukono	590
(c) Ggaba National Seminary	34
Its allied colleges at Katigondo in Masaka, and Alokobum, Gulu	227

(d) College of Tertiary studies, Bushenyi N.A.
(e) Chartered Institute of Bankers N.A.
(f) Nkumba College of Commerce and Advanced Studies. N.A.

Government financing of education: an inverted pyramid

In Uganda, primary and secondary education was from the very beginning primarily the responsibility of voluntary agencies and local communities. Although the Protectorate was established in 1893, there was not even a Government Department of Education until 1925. And even after the creation of the Department of Education, the role of Government was merely to give grants in aid to the voluntary agencies, which owned and ran the schools. Local communities, mobilized by missionaries, built schools, teachers' houses and paid fees to pay teachers' salaries and to purchase scholastic materials. This tradition has continued over the years. Today Ugandans sell their crops, livestock, and even their land in order to send their children to primary and secondary schools and keep them there.

In 1922, however, the Government founded Makerere College, as an Institution of higher education for Eastern and Central Africa. From the founding of Makerere in 1922, the central Government assumed full and complete responsibility for financing higher education entirely out of public funds. Historically, students in higher education institutions, both undergraduates and postgraduates, have had not only their tuition fees, but also all their food and other living expenses and transport to and from their homes paid for by Government, and also received an allowance known as 'Boom' for pocket money. Students in all institutions of higher education (4th Level), and especially those at Makerere University regard these personal allowances paid to them by Government as an automatic right and an entitlement which cannot and should not be removed from them. For example, In November 1989 to February 1990, and from 25th December 1990 to 11th May 1991, Makerere University was closed as a result of student unrest caused by an attempt on the part of Government to withdraw 'Boom', transport and stationery allowances, and to institute a Book Bank instead of paying out textbook allowances to students each year.

Table 1. Share of government education expenditure by level of education as a percentage of education recurrent expenditure 1986/87-1990/91

	1990/91	1989/90	1988/89	1987/88	1987/86
Primary			34.8%	20.0%	18.4%
Secondary			34.9%	43.8%	11.9%
Technical			9.5%	7.6%	16.3%
Teacher Training			10.4%	9.2%	12.7%
Higher Education			11.0%	20.4%	28.1%

Source: Uganda Education Sector Review and Issues and Options for USAID. USAID Kampala Uganda 1990. p. 20.[3]

The result of these historical patterns has been to create an inverted pyramid of public expenditure in education, whereby there is minimal Government involvement at the basic levels where the majority of the learners are, and full Government responsibility for financing higher education to the benefit of the small minority, at the top of the educational pyramid. Table 1 indicates the share of Government expenditures by level of Education as a percentage of Educational Recurrent Expenditure in selected years.

The level of Government spending on higher education compared to other levels has also increased significantly over the years, as shown in Table 2.

Table 2. Ratio of per-student recurrent expenditure at each level to per-student recurrent expenditure at primary [4]

Level	1987-88	1983-84	1972-72
Primary	1	1	1
Secondary	20	15	9
Teacher Training	42	7.5	19
Technical Vocational	146	NA	NA
Higher Education	508	329	98

Table 2 indicates that in 1971-72 it cost Government 98 times more to educate a University student than it did to educate a primary pupil for a year. This ratio went up to 1 : 329 in 1983/84, and by 1987/88 a year at the University cost 508 times more than a year at primary school. In other words, for the cost of each student in higher education, Government could bring 508 children who at present have no schooling into the primary school system. Since parents who cannot afford to pay the high fees now demanded even at the Primary School have to withdraw their children from school, only to be taxed to support the lucky few who reach the University, it can be argued that free education, food, accommodation, boom etc. at the top, are a form of subsidy by the poor to the rich parents and their children.

The disproportionately high Government expenditure on higher education, however, should not necessarily be taken to mean over-provision for this level. For, as we pointed out earlier, scholastic materials - books, periodicals, chemicals, are still lacking, and salaries and fringe-benefits for staff throughout the system are far from being adequate. For example, Makerere offers the lowest salaries to its senior academic and administrative staff in the whole of Eastern and Southern Africa.

Because higher education is financed solely from public funds, most of the meager resources made available by Government are directed towards non-pedagogical items such as food and allowances for students, rather than to academic inputs such as periodicals, chemicals, and salaries for staff.

Table 3 indicates Recurrent Expenditure by Function as a percentage of Recurrent Expenditures at various levels of Education.

Tables 4 and 5 indicate the direct cost per student at Makerere University in 1988/89, and the cost of feeding and allowances in the same year respectively.

Table 3. Recurrent expenditure by function as a percentage of recurrent expenditure in education in various levels

Level	1988-89	1987-88	1986-87
Primary			
Salaries	69.2%	68.8%	95.7%
Food and boarding	29.5%	29.1%	0.0%
Material and supplies	0.2%	0.8%	0.0%
Salaries and benefits	27.3%	19.5%	62.9%
Food and boarding	72.1%	80.4%	35.7%
Materials and supplies	0.0%	0.0%	0.1%
Higher education			
Salaries and allowances	1.3%	3.5%	2.4%
Food and boarding	12.0%	43.5%	38.8%
Student allowances	65.4%	48.8%	55.6%

Source: USAID op. cit. p.23.

Table 4. Direct cost per student per year by Faculty, Makerere University 1988/89

	Faculty	Direct cost per student Ug. Shs.[1]
1.	Arts	15,636
2.	Social Sciences	12,118
3.	Commerce	17,408
4.	Science	40,013
5.	Institutes	17,056
6.	Education	43,261
7.	Medicine	119,490
8.	Agriculture & Forestry	76,041
9.	Law	30,174
10.	Technology	98,737
11.	Vet. Medicine	110,739
12.	Fine Art?	
Average Cost		42,617

Table 5. Makerere University: ration and allowances per student for the year 1988/89

	Shs.[1]
(a) Cost of feeding	48,792
(b) Books and Stationery	33,513
(c) Other allowances, e.g., "Boom", non-residence, dependants	121,846

Source: Makerere University Administration Records.

[1]The official exchange rate in November 1991 was Shs. 895 = $US 1

Proposals for change

The rising cost of education and the need to democratise access to education particularly at the primary-level, have made it imperative that modes of sharing the burden of financing higher education be re-examined.

Several proposals and attempts have been made in recent years to change the pattern of financing higher education in Uganda. A commission sponsored by the International Development Research Centre (IDRC) to advise Government on *Economic Adjustment and Long term Development in Uganda* advised that consideration should be given to charging students at the University for some portion of their costs e.g. food and accommodation. *The Makerere University Visitation Committee* appointed by the President of Uganda and Chancellor in 1987 to advise Government on the Development of Makerere also recommended the introduction of the principle of cost-sharing in financing University education by (i) stopping the payment of Boom and other allowances; (ii) instituting a Book Bank instead of supplying fresh textbooks every year or paying textbook cash allowance; (iii) resident students being required to contribute to the cost of their meals and accommodation; (iv) instituting a system of scholarships, bursaries and loans to assist needy students.

The Makerere Visitation Committee concluded, however, that in view of the difficulties of administering a loan scheme, technical assistance be sought from those countries which have operated such a scheme successfully.[5] (Report of the Visitation Committee to Makerere University July 1987, pp. 185-187).

Needy students work scheme

Recently, after the re-opening of Makerere University, the Government has reiterated its stand on abolishing the personal allowances of students, i.e. transport and pocket money. A Needy Students Work Scheme has been instituted whereby bonafide needy students who are willing to work will be assigned some jobs in the University to earn some money. In the future, it will be the responsibility of local administrations and local communities, to identify needy students coming from their areas and assign them work to earn pocket money. Details of how the scheme will operate, however, are still to be worked out.

It is in a way to be regretted that the Needy Students Work Scheme may give the impression that a student has to be needy in order to work, instead of instilling in the students the work ethic, the dignity of labour, and the pleasure of lifting one's self by one's boot straps.

Introduction of private sponsorship at Makerere

Makerere University plans to launch programmes leading to the award of the Bachelor of Education (B. Ed.) for 200 students, and bachelor of Commerce (B.

Com.) for 100 students by distance education in the 1991–92 academic year. These students will be privately sponsored and will pay tuition fees and other charges. Evening classes for private students in other fields are also being planned.

Proposals on student loans

The government is considering introducing student loans and also implementing other proposals on cost sharing. The Education Policy Review Commission (EPRC) appointed by the Government of Uganda, which submitted its report in 1989, considered this issue and came to the conclusion that the cost of higher education should be shared by both the government and the beneficiaries. However, to alleviate the difficulty of those coming from poor families, the Commission proposed a system of student loans and also provision of part-time work for needy students. The specific recommendations on this issue are summarised below:

(i) Students and parents should assume full responsibility for meeting all non-instructional expenses such as cost of transportation to and from their homes, pocket money, feeding and dependants' allowances.
(ii) For students who cannot raise the necessary finances, the government should establish a system of student loans to be repaid only when the student completes his/her studies and finds gainful employment.
(iii) Tertiary level institutions should try to provide part-time paid employment for students who are unable to meet their financial obligations.
(iv) The financial responsibility of the government (for student costs) should be confined to payment of tuition fees, cost of books, examinations and medical care.
(v) All tertiary level institutions should undertake some revenue generating projects.

The government has already implemented some of the EPRC recommendations, and has abolished personal allowances for travel and "Boom" (pocket money), introduced a Book Bank, instead of giving students a book allowance, and introduced a Needy Student Work Scheme, which provides part time employment for students identified as in serious financial need. However, the government still incurs expenditure on feeding and accommodating students and on their special faculty requirements, and is currently considering the proposal to gradually introduce charges for food, and the proposal on student loans is also under active consideration. The government will soon spell out its views on cost recovery and student loans in a White Paper on the EPRC report. While the details have yet to be worked out, the proposal under consideration is that of providing loans to students to cover the estimated boarding, stationery and travel costs, which they will repay when they start earning. In sanctioning loans, priority will be given to those who are really needy and who are pursuing courses in areas in which there is a shortage of qualified manpower. The proposals have yet to be finalised.

Obstacles to student loans in higher education

Despite the strong arguments in favour of a reform of higher education finance in Uganda, including the introduction of fees and charges for food and accommodation, together with the introduction of scholarships or loans, there are a number of obstacles that would have to be overcome. These include:

1. Tradition and resistance by students and possibly their parents to any form of cost sharing in higher education, no matter how minimal;
2. Fear of Government to antagonise the youth;
3. Inability by Government and the private sector to guarantee students employment on graduation, hence the difficulty of collecting the loans.

There is also the question of whether loans should be given by Government or commercial banks, and what would be the effect of the high rate of inflation. Will the loans be interest free or will they bear interest and be pegged to a more stable currency like the dollar in order to compensate for inflation? Such details are still being considered and must be resolved before a student loan scheme could be announced or introduced in Uganda.

Conclusion

In Uganda, while pupils in Primary and Secondary Schools are supported mainly by their parents and local communities, Higher Education is still the responsibility of Government. There is so far no cost sharing of any significance in post-secondary Education and there are no loan schemes as yet. It is becoming increasingly clear, however, that Government can no longer afford to bear the whole burden of higher education if reasonable standards are to be maintained. Some form of easing this burden is being sought.

Notes

1. USAID. Uganda Education Sector Review: Issues and Options. Kampala: March 1990, p. 19.
2. Uganda Government, Ministry of Education. Education Policy Review Commission Report. 1989, p. 20.
3. USAID. Uganda Education Sector Review. Op. cit. p. 20.
4. Ibid. p. 21.
5. Uganda Government, Ministry of Education. Report of the Visitation Committee to Makerere University. July 1987. pp. 185–187.