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EFFECTIVE FINANCIAL RESOURCES MANAGEMENT FOR SCHOOL IMPROVEMENT AND DEVELOPMENT IN UGANDA

Tomusange Robert¹, Muweesi Charles², Kyagaba Aisha³

¹School of Education, Central China Normal University, China,

²Department of Education, Faculty of Science and Education,
Busitema University, Uganda

³Kawempe Muslim Secondary School, Uganda
tomrobert904@gmail.com

ABSTRACT

This paper sought to explore the extent to which financial resources can be managed and optimized to foster school improvement and development in Uganda. The research questions aimed at investigating the nature and amount of the governments' and parents' Contributions, how financial resources are optimized to achieve school budgetary objectives, and its effect on school developments such as the provision of facilities, infrastructure, and instructional materials in secondary schools. Statistics from the annual budget estimates of the Ministry of Finance, Planning and Economic Development quoted in the Education, and Sports Sector Strategic Plan 2017/18-2019/20 (Ministry of Education and Sports) is expounded to answer the research questions. Comparisons are drawn to other countries, including the USA and China; however, the underlying principle is that it may not necessarily be the amount of financial resource invested in the education sector that matters but the concentration on financing key areas that affect the social and economic aspirations of a particular country. For example, Sub-Saharan Africa ought to channel resources in secondary Education with a core value of fighting ignorance, disease, and poverty. A combined Keynesian-Schumpeterian economic approach has been proposed to emphasize government increased expenditure on education to boost aggregate demand while at the same time encouraging innovations (technological developments) in line with social-cultural patterns of society to foster school improvement in Uganda.



Keywords: School Developments, Optimization, Keynesian-Schumpeterian, Financial Resources Management

Introduction

The Social purpose for Education formal or informal is to socialize the young into the community they are born in and equip them with ideas, skills, taste, manners, and attitudes that society considers essential. To the Government of Uganda, Education is a powerful tool playing a pivotal role in achieving moral, intellectual, ideologically, cultural, economic, and social development of the people in society as well as the Nation's goal of unity, democracy for all its citizens (Government 1992). Diverse curriculum subjects for quality education with heavy financial implication invested in materials, equipment, facilities, human resources and infrastructure are required to achieve the above objectives and goals.

(Ward, Penny et al. 2006) states that management is optimized if an organization makes the most effective and efficient use of resources to achieve its desired objectives. In a school situation, therefore, optimization refers to the process of acquiring, allocating,

regulating and controlling the proper use as well as maintaining education materials, facilities to realize the educational objective within a given level of financial resources. Therefore, in the study context, the developments are optimized if the infrastructure, scholastic materials, and facilities are well provided to facilitate proper teaching and learning in secondary schools. The question remains whether the existing financial resources are optimally mobilized and managed to achieve the above goals.

Education is one of the Government's key priorities as its budgetary allocation stood at 10.5% of the national budget for the financial year 2019/20. However, 62% of this goes to Primary Sector, 18% tertiary Institutions, and the Secondary Sub-Sector gets only 15%. The parents could have filled the government's financial gap, but due to prevailing rural poverty, the parents seem to find it challenging to afford the target. Moreover, the Private Sector has taken root, and it is most likely to be profitable



to invest in the education sector, especially in urban areas. The increased demand for Secondary Education has given rise to several community Schools. Still, due to the apparent financial crisis, these Schools seem to have poor infrastructure and facilities, which can affect the quality of teaching and learning.

In the event of inadequate financial resources, arising from poor parents' contribution and meagre government grants, quality Education cannot be provided. Thus this study is necessary to establish whether the existing financial resources are adequate to optimize Secondary School developments reflected in a high level of infrastructural developments, availability of teaching and learning materials, and well-motivated staff.

Statement of the problem

Education as a technical service has mandatory requirements with massive cost implications if the desired quality and standard is to be achieved. However, there seems to be a gap between the actual funding and the real cost of Education. As a result of this gap, school administrators may find it challenging to

implement school programs, provide facilities, and maintain school discipline. Therefore, the focus of this study is on finding out whether the financial resources are adequate and properly managed to implement School developments.

Objectives

- i. To establish the nature and amount of the parents' and governments' monetary and non-monetary contributions to the schools.
- ii. To establish how the financial resources are being used to achieve the target objectives.
- iii. To determine the impact of effective financial resource management on school developments through the provision of facilities, infrastructure, and instructional materials.

Research questions

- i. What is the nature and amount of the parents' and governments' Contributions to the schools?
- ii. How are the financial resources being used to achieve the school budgetary objectives?
- iii. What effect do the financial resources have on School



developments such as the provision of facilities, infrastructure, and instructional materials?

- iv. How can the Keynesian-Schumpeterian economic model optimize financial resources for school developments in Uganda?

Scope of the study

The geographical scope of the study, findings, and conditions was based on the secondary Schools in Uganda. The population targeted includes students, teachers, school administrators, and parents, while the content was restricted to financial resource adequacy, management and its effects on school developments.

Literature review

The study relies on the optimization of financial resources and developments in Secondary Schools. The Literature review is premised on the nature of financial support contributed by parents and the Government and how these financial resources affect secondary schools' developments in Uganda.

Optimization of financial resources in secondary schools

It is essential to review how schools have been optimizing their financial resources elsewhere in the world and in Uganda to affect developments. This comparison would provide a basis for understanding the challenges faced elsewhere in secondary schools and the policy options adopted to overcome these challenges.

The history of Education in medieval ages suggests that, in medieval Europe, Secondary Schools were regarded as places for affluent parents, who could pay fees, and families could offer money in the form of endowments. The same case was with Uganda, where the first secondary schools trained the sons of Chiefs. With social metamorphosis, however, people realized the significance of Education in the advancement of social status, notwithstanding the costs involved.

According to the 1992 Government White Paper on Education for National Integration and Development, cited by (Penny, Ward et al. 2008), Secondary School's structure includes vocational, comprehensive, and general Secondary



School and each sub-county is to have at least one secondary school. The Government's aim and objective for secondary Education are unity, nationalism, development of skills for analysis and solving problems, and a foundation for further Education. In relation, several subjects must be taught with burdensome financial requirements to build infrastructure, implement teaching and learning programs, and pay staff. One critical question that remains unanswered is whether the existing financial resources are adequate to optimize the desired goals as stipulated in the Government White Paper. Resources in educational management are anything one finds in a school environment that may be used to facilitate teaching and learning. Financial support in schools is needed for salaries, wages, and purchase of equipment, materials, students' maintenance, and the development of structures like classroom laboratory and student's accommodation. As the need for education increases, the requirements expand, primarily due to factors beyond control. The Government cannot afford to meet the increasing demand since Education has to compete with other

sectors of the national economy for the limited resources.

Hanson (2010) contends that Community schools established during the past three decades in Uganda are engaged in a constant struggle for funds, including external sponsors. He further postulates that different countries in the world rich or poor will find it more difficult in the future to increase the percentage share of their national income going to Education due to other pressing needs in the budget.

According to (Werner 2011), the parents can be involved in Education at several levels as partners, whereby they carry out regular activities such as paying fees and buying uniforms. This view is upheld by (Kasozi 2006), who considers the parents as shareholders and problem-solving agents when the child has discipline problems. They further contend that the parent attends open days to boost the morale of the pupils, gives material and social support, advises and acts as co-decision maker. The parents' contribution to higher learning, especially in rural areas, is faced with bottlenecks, resulting in substantial school fees balances. The abject poverty in rural areas arising from low



productivity, unemployment, landlessness, and extended families constrain the parent from paying adequate school fees, which is aggravated by other pressing needs like food, medicine, housing, and clothing.

The heavy reliance on parents for school requirements can jeopardize the quality of education because of the high level of poverty and wide income gap. According to the 1998 task force (Vision 2025), about 85% of Ugandans live in rural areas, constituting the bulk of the 46% of people that lie below the poverty line. The population is made up of agricultural workers (81%), elementary occupation (7.6%), or low-level personnel (4.6%), craft workers (3.4%), technicians (2.4%). With this kind of social structure, incomes are low, thus impeding payment of reasonable fees. From the above review, it is evident that due to limited government funding and low payments by the parents, the financial resources cannot be optimized. Therefore, it is necessary to establish whether, in light of this constrained background, school developments are optimized at all within Uganda.

Optimization of Financial Resource Management

According to (Yunas 2014), the school Administrator must know that the funds and facilities are limited. He or she must make plans for ensuring a continuous supply of resources. (Molyneaux 2011) defined resources management as a process that involves the acquisition, allocation, deployment development, maintenance, proper use, and coordination of human, material, physical, and financial resources needed to promote instructions at various levels. (Chapman, Burton et al. 2010) supports the above view by stating that the success of any school program depends mainly on the way the financial livelihood of the Institution is mobilized and managed. He continues to argue that resources are usually scarce and in high demand. There is, therefore, a need to distribute these scarce resources appropriately to manage the disparities.

In Uganda's setup, schools are public enterprises and thus are subject to statutory instruments that regulate the management of the funds. These are enshrined in the 1995 Uganda Constitution, the 1970 Education Act,



The Board of Governors Regulations 1991, The Financial Regulation of 1998, and The Finance act 2000.

According to the above regulations, the schools are to have in place the Board of Governors and qualified Account staff to maintain proper books of accounts and prepare budgets approved by the board of governors. The objective of this regulation is to ensure that the school fund is appropriately used for the realization of the educational goals. Hence (Lewin 2008) calls for a steady development of a board of governors to directly control and promote budgetary savings in the schools. This initiative also corresponds to the policy of the American Municipal Authorities that help in raising, appropriating, and directing such funds to specific programs for priority in Schools.

The authority of implementing the budget and the school programs is vested on the Headteacher whose responsibility, among others include, resource planning, mobilization, expending, and accounting according to the laid down objectives, priorities, and regulations. This research is set to determine whether the school financial administrators can optimize

financial management within the existing financial resources.

From the preliminary evidence, it is clear that to maximize education developments, and there is a need for adequate financial resources that are well managed.

Optimization of School Developments

According to (World bank, 2016) and (Uganda 2013), the capital cost of financing and equipping secondary schools is enormous. Typical secondary school building costs are high because conventional schools' designs include specialized facilities such as classrooms, administrative blocks, boarding facilities, laboratory, kitchen, and sports facilities. Available information in Sub Saharan Africa indicates that unlike in primary schools where community support has been very high using local labour, the sense of community identification does not necessarily exist for the secondary school sub-sector. It is because the beneficiaries of these schools may be outsiders, and therefore the schools would look foreign to the neighbouring community. Different countries have different approaches to developing their secondary schools,



depending on the history and the development objectives.

Instructional materials are the basic requirements for effective curriculum implementation, suggesting that schools should purchase these materials for effective teaching and learning. This is supported by (Reinikka & Svensson 2011) argument that a teacher who wants to teach well must make use of various instructional materials without which the teacher almost fails. The 1989 Education Policy Review Commission stressed the importance of the provision of instructional materials as the most effective way of improving the quality of education. Thus (Ssewamala, Wang et al. 2011) observed that; there is a high positive correlation between teaching materials and academic achievement, which is a reflection of Curriculum implementation.

From the above review, it can be seen that similar studies carried out mostly dealt with issues of budgeting, planning inflation costs and the importance of the facilities but did not show clearly the implication of the financial resource gap on the school developments. A study by (Asankha and Takashi 2011) on the

impact of Universal Secondary Education policy on school enrollment in Uganda attempts to explain the parents' background and how they affect the ability to pay fees. Still, this study did not include a secondary school sub-sector. According to (Chapman, Burton et al. 2010) on Universal Secondary Education in Uganda, the head teacher's dilemma is restricted to management effectiveness other than the optimization of resources and their effects. (Cohen 2009) study on the Goals of universal primary and secondary Education tries to address the importance of developments such as instructional materials and infrastructure. Still, the study does not show clearly why these resources are inadequate.

Theoretical framework

This research is premised on the Keynesian economics theory developed by British economist John Maynard Keynes (1883-1946). According to Keynes, governments should increase consumer demand as a way to boost growth. Thus, spending on unemployment benefits, infrastructure, and education should be prioritized with an expansionary fiscal policy. The



Keynesian theory hatched in the 1930s was adopted by President Franklin. D. Roosevelt to ward off the great depression. Roosevelt increased the US debt by \$3 billion to create employment opportunities that would yield an aggregate demand-an approach that facilitated a boom. Keynes's theory reckons on government interventions by providing employment and price stability as the driving force of an economy since free markets have no self-balancing mechanisms to allow full employment (Jahan, Mahmud et al. 2014).

The Schumpeterian theory of development has been employed to complement the Keynesian economics theory for effective financial resources management in schools in Uganda. Whereas Keynes focuses on increased government investment in the economy, Joseph Schumpeter emphasizes the role of the entrepreneur and innovations injected in the process of economic development. In his perspective, material forces of production such as labour and land ought to be combined with immaterial forces like the technical knowledge of society and the facts of the

societal organization to foster economic progress. Therefore, in the field of education, stakeholders including teachers, headteachers and government officials have a particular role to play in ascertaining the necessary skills in management with common social-economic goals for the benefit of society at large.

In synthesis, a Keynesian-Schumpeterian model of development would pave the way for optimization of financial resources and its effective management for school improvement in Uganda.

Methodology

The research methodology was primarily qualitative, much of which requires a wide range of instruments to capture the evidence. To find out the rates and gaps of the financial resources and the effects of the deficiencies on the developments in the schools, it will entail a discussion of archived data. The study population included secondary schools in Uganda, both rural and urban-based. Headteachers, Board of Governors, Parents and Teachers Association and Ministry of Education and Sports officials at different levels were



considered. Ministry of Education and Sports Policy documents and Government of Uganda Annual budget estimates were studied and analyzed. This offered the researcher some valuable insights into the nature and rates of the parents and government contributions.

Findings and Discussion

The study intends to presents and discusses the role of the public and private sector in the provision of financial resources to secondary school education in Uganda. Sources of this revenue were equally explored and how school financial managers have effectively handled the resource envelope to foster school developments in the country. Comparison is made to

other countries on how financial resources are accrued and their implication on the academic and infrastructural improvements.

Funding of Secondary Schools in Uganda

The Provision of quality Education in Uganda is a government responsibility embedded in the Constitution of Uganda Article30; (Uganda 1995). Therefore according to national budget estimates allocation, Education is one of the critical priority areas although allocations to the Education and Sports Sector as a proportion of the National Budget have reduced from 14.7% to 11.08 % over the five years as indicated below:



Table 1: Education Expenditure as a Share of the National Budget

Source: Annual Budget Estimates Books, MoFPED

FY	2012/13	2013/14	2014/15	2015/16	2016/17
% Share	14.6	13.5	13.4	11.8	11.08
The amount allocated (Bn. Shs.)	1,687.63	1,868.06	2,275.45	2,009.61	2,634.31
The difference in the amount allocated (Bn) in comparison with the previous FY	210.68	180.43	407.39	-265.84	624.70

However, despite the decline in the annual percentage share of the national budget expenditure on Education, there has been a relative increment in the absolute amount allocated to the Sector. To complement the funding of Education, the private sector has contributed immensely through the payment of school fees in Uganda. This is in tandem with (Heyneman and Stern 2014), who contends that governments ought to accept the necessity of the private sector in providing education services, further citing government voucher programs in Colombia, Chile, and Haiti in which such vouchers allow students access private schools.

Comparatively, China has a wide range of secondary school financing mechanisms, which include earmarked local taxation for Education levied on business turn over, payrolls, allocation of the profit of school run businesses to the school budget, and collective work unit support for schools based in the community. Through the decentralization policy, local governments at provincial/county/township/village are primarily responsible for financing secondary Education in China (Tsang 1996). In brief, China's economic prosperity can be attributed to its dynamic private sector, but most significantly sustainable credit



expansion and investment by government in a conspicuously Schumpeterian-Keynesian model (Herr 2010).

According to the interventions and activities outlined in the Education and Sports Sector Strategic Plan (ESSP 2017-2020), Government ought to spend an estimated Ug. Shs. 17,947.49 bn, however private entities, charitable organizations, and households will contribute an approximated Ug. Shs. 2,848.92bn, which is about 17% of the total cost of Education. This confirms the need for public-private partnership as far as education funding is concerned in Uganda. In essence, however, much as private funding of Education is possible, households attending private schools still have to pay taxes comparable to a hand out to Government for an exclusively public interest, which is unfair (Samwick 2013).

Optimization of financial resource management and school developments

The most important aspect of education finance lies in the effective management

of the available financial resources. This task includes the proper allocation and distribution of resources for effectiveness. Headteachers in secondary schools play the role of chief accounting officers through appropriation and the direction of funds to particular development targets to meet the desired goals of school improvement. However, it should be noted that the ministry of Education performs a supervisory role to ensure proper utilization of resources in meeting the minimum standards of school operations and the emphasis is put on the private schools.

There has been an ever-increasing gap between direct public investment and the facilitation of secondary Education with the private sector. This phenomenon has relegated secondary schools investment mainly in the hands of individuals, thereby undermining one of the underlying purposes of public provision (finance) of Education aimed at promoting the equality of opportunity.

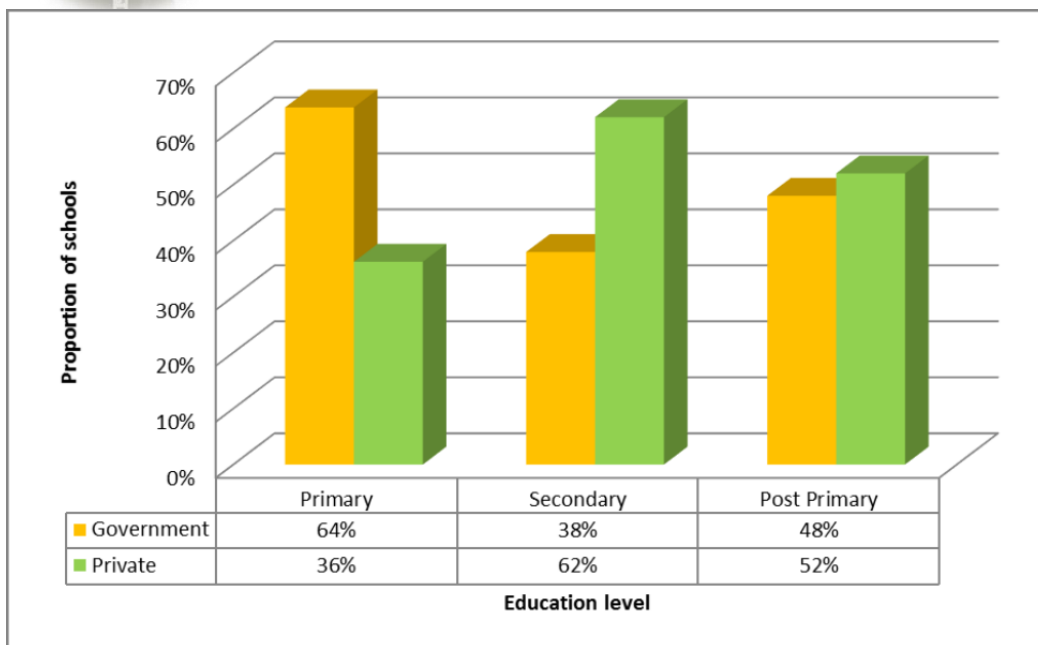


Figure 1. Proportion of schools by ownership

Source: EMIS 2015

According to the graph above, there exists an investment gap for Government in secondary Education concerning Primary Education. This is marked by a 64% government ownership of Primary schools, against only 38% ownership to public secondary schools, while the private Sector owns 62 % of the secondary institutions. In other words, the increasing number of primary school

graduates are not adequately planned for in their transition to secondary school. Many such students will then be accommodated by private institutions where the cost of Education is slightly higher and almost unaffordable to low-income families. However, as an agent of the public, the government ought to be an outstanding arbiter to regulate the value of Education service produced at both individual and aggregate levels



(Moore 2019). In such a way, the government can cause the education system to produce desirable social economic and political conditions conducive for its population.

Table 2. Enrolment by the level of Education

Level	Sex	2007	2009	2011	2013	2015	2016
Primary	Male	3,779,338	4,150,037	4,039,734	4,219,523	4,122,663	4,294,473
	Female	3,758,633	4,147,743	4,058,443	4,240,197	4,141,654	4,361,451
	Total	7,537,971	8,297,780	8,098,177	8,459,720	8,264,317	8,655,924
Secondary	Male	517,254	648,014	662,003	727,212	657,163	765,406
	Female	437,074	546,440	596,081	635,527	608,845	691,871
	Total	954,328	1,194,454	1,258,084	1,362,739	1,284,008	1,457,277

Source: EMIS 2016

Statistical data from the Education Management and Information Systems (EMIS) indicate a considerable gap between primary school enrolment (8,655,924) and secondary school enrolment (1,457,277) over the years. This re-affirms the low government level of investment and misappropriation of funds across the different levels of Education- a responsibility dominated by the public sector, as indicated in Figure 1.

Deductions

While dealing with financial resource management issues, it is essential to note that the core values and aspirations of a particular society and stakeholders largely determine the outcomes of school developments. This resonates with Schumpeter's theory of development that acknowledges the role of immaterial productive forces such as the social makeup/organization of a particular community as a prerequisite to growth and development. Whereas some school developments are measured by the level of academic performance



leading to substantial financial investment in state of the art laboratories, spacious and well-stocked library for extensive research; other variations may be evident in building necessary skills and talent that can lead to re-channelling school finances towards building better athletic facilities, apprenticeship programs among others. (Stiglitz and Rosengard 2015) postulates that the funding of Education in the USA in 1957 was much inspired by the space exploration and competition that existed between her and the Soviet Union after the latter had successfully launched the first-ever space satellite (Sputnik). Henceforth more education investment was geared towards the improvement of the science curriculum in secondary schools.

Conclusion and Recommendation

Education as a public good should be the responsibility of the Government to fund and supervise its consumption. However, this study confirms that such a financial obligation of the state still leaves a lot to be desired, thus the need for public-private partnerships in financing the education sector in Uganda. Given the scarcity of resources yet the demand for

Education is inelastic, there is a need to consider; not only effective management of available financial support but also the proper allocation of funds to secondary Education directed to the fight against ignorance, poverty, and disease as the underlying challenges of sub-Saharan Africa (Lewin 2008). This study suggests a Keynesian-Schumpeterian model to manage, allocate, and ensure the efficacy of financial resources to realize broader aggregate socio-economic goals. According to this model, the government should not only increase public investment in the education sector but equally groom innovative communities for value addition to the educational outcomes.

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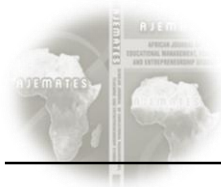
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