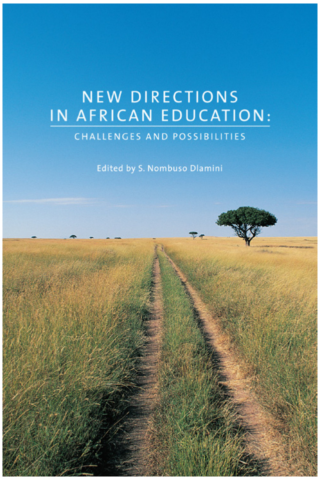

NEW DIRECTIONS IN AFRICAN EDUCATION: CHALLENGES AND POSSIBILITIES

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8

FINANCING STUDENTS IN HIGHER EDUCATION: EXAMINING TRENDS AND FUNDING OPTIONS IN AFRICA AND CANADA

Eva Aboagye

ABSTRACT

This chapter addresses the impact of external pressures in the financing of higher education systems. The author uses both North American and African case studies to show that major challenges in the financing of post-secondary education are not limited to students and governments of developing or developed countries, but are issues that face all students and governmental bodies. The movement at the national level away from grants and towards loans means greater debt burden for students. The author demonstrates that, although there are social, economic, political, and cultural differences between the case studies, the issues of cost recovery that face students and governments are the same. The author concludes by discussing new financing directions that have been suggested and are underway in developed and developing countries.

INTRODUCTION

The world economic order is increasingly more materialistic and favours decreasing the involvement of governments in the provision of social services. This has affected social policies in many countries. In developing countries, particularly in Africa, structural adjustment, and post-structural adjustment policies have had a great impact on educational reform, especially in the area of student financing in higher education. In most parts of the world, governments are reviewing their levels of spending on higher education and examining ways of reducing subsidies to institutions and students. Currently, many of the changes taking place in the educational sector in Africa are the result of World Bank and International Monetary Fund (IMF) economic policies.

This chapter examines the effect of these external pressures on the financing of students in higher education, using data from Africa and Canada. There are reasons for choosing these two countries. Canada is currently making major changes to its student financing programs as evidenced by both provincial and federal practices. At the federal level, there is a move towards reducing student grants and increasing student loans. In addition, there is discussion about introducing an income-contingent repayment scheme. In some Canadian provinces, like Ontario, discussions on the financing of students in higher education focus on how to encourage more private involvement in the financing of students. In the African region, there are widespread attempts to review the existing systems of financing and efforts to increase private-sector involvement. Although the two areas differ economically, socially, politically, and culturally, the issues of cost recovery facing students and governments are similar. The solutions to this universal problem, however, differ because of different economic and social realities.

The general trend in the 1990s in North America and in some countries in sub-Saharan Africa was for governments to pass on part of the costs of higher education to students and their parents as well as to the private sector. This trend was usually influenced by international interests in cost recovery and the sharing of costs in the provision of social services. This chapter discusses trends that are changing the social functions of higher education institutions and addresses the questions of whether or not in a developing country these institutions are expected to be elitist or are expected to distribute benefits and privileges to the general society.

In March 1991, UNESCO organized an African Regional Expert Consultation meeting titled "Trends and Challenges of Higher Education for the Twenty-first Century." Among other discussions were debates on what delegates considered to be the functions of institutions providing higher education on the continent. The general concern of these delegates was that, in order to effectively perform their functions, African institutions would have to tackle issues of internal efficiency, including levels of financing opportunities available to the institutions and their students.

Throughout the 1990s and the decade after, governments in sub-Saharan Africa continued to look at ways to both expand access and share the costs of higher education with parents, students, and the private sector. Some of these efforts were successful while others were met with resistance. In 2003, the Association of African Universities and the World Bank jointly organized a regional training conference titled "Improving Tertiary Education in Sub-Saharan Africa: Things that Work!" The conference provided an opportunity to review progress that had been made in improving access and financing as well as the challenges that still lay ahead

In Canada, financing for students in post-secondary institutions is an important political issue. In the province of Ontario, the Liberal government of Premier David Petersen in 1985, followed by the New Democratic government under Premier Bob Rae in 1990, considered how to make the existing loan scheme more of an income-contingent loan scheme in order to make repayment more manageable for students. The advantage of an income-contingent loan scheme, as far as the governments are concerned, is to provide an avenue to increase loan levels, therefore passing on greater portions of the cost to students without the worry of creating unbearable debt burdens for them. Canadian provinces have some autonomy over higher education policies. This chapter will focus mainly on Ontario, where there have been a number of panels created to review its post-secondary system from 1995 under the leadership of Premier Mike Harris and his Progressive Conservative government to the election of Premier Dalton McGuinty and his Liberal government in 2003. These panels include "Excellence, Accessibility, Responsibility: Report of the

Advisory Panel on Future Directions of Postsecondary Education," in 1996, and more recently the Rae Review in 2004. The 1996 task force was created to examine future goals of universities and colleges. It was charged by the Minister of Education and Training to do the following:

> 1. Recommend the most appropriate sharing of costs among students, the private sector and the government, and ways in which this might best be achieved,
> 2. Identify ways to promote and support co-operation between colleges and universities and between them and the secondary school system in order to meet the changing needs of students,
> 3. Provide advice on what needs to be done to meet the expected level of demand for post-secondary education, both with reference to existing public institutions and existing or proposed private institutions. (Ministry of Education and Training, 1996, p. 1)

In terms of the financing of students, although recommendations were made for an income-contingent loan scheme, no significant changes were made by the Conservative Government under Mike Harris. However, there was a gradual reduction in grants and an increase in loans combined with increases in tuition fees.

In 2003, the system of financing students that was in place in Ontario consisted of a combination of loans, grants, and tax incentives. The federal and provincial governments partnered to provide a student loan; the federal government also provides bursaries and scholarships through the Millennium Scholarship Foundation; and there are tax credits as well as a savings plan for post-secondary education. The repayment for student loans begins six months after students graduate and is based on a traditional, consumer loan basis (Rae Report, 2005, pp. 18 & 21). In 2004 the Ontario government set up a review panel led by former premier Bob Rae, which looked at all aspects of post-secondary education in the province. Specifically on funding, the panel was asked to make recommendations on all aspects of post-secondary funding, including:

1. Establish an appropriate sharing of the costs of post-secondary education among the government, students, and the private sector;
2. Identify an effective student assistance program that promotes increased access to post-secondary education. (Rae Report, 2005, p. 1)

This panel submitted its review report, "Ontario: A Leader in Learning" to the Ontario government in 2005. One of the key questions concerning funding posed by the panel was: "How do we pay for higher education to ensure opportunity and excellence?" (p. 2). It made wide-ranging recommendations, including asking for more government funding for the post-secondary sector and more funding for students. Among other recommendations by the panel was a significant increase in public funding for both institutions and low income families. On grants and loans the panel called for increases of grants to low income students to cover the costs of tuition fees as well as the revision of loan eligibility to enable more middle-income families to qualify for student loans. While much discussion was generated around the possibility of an income-contingent or a graduate tax repayment plan, the panel did not make any firm recommendation on the repayment plan; rather, it urged the government to consider financing through a form of a graduate tax but noted that it would take some time to implement such a system (Rae Report, 2005, p. 22).

In a paper on Ontario Higher Education Reform, Jones (2004) examines the changes that were implemented in the post-secondary sector from the election of the Progressive Conservative government in 1995 to the Liberal government of 2005. He notes that reforms during this period were mainly characterized by privatization and had more of a market influence, which involves using cost-benefit analysis to make students more and more responsible for the cost of their education.

It is important to note that the issue of appropriate cost sharing recommended by government reviews since 1995 is the primary motivation for the passing on of costs to students and their families. Students' contributions to higher education financing are by way of loans. Loans, as a means of financing higher education, are widely used, both in the developed and developing countries, as indicated by Albrecht and Ziderman (1991). Researchers who advocate the use of loans, like Woodhall (1987), believe it is a more efficient and more equitable way of financing students than the use of grants because more students can be supported at higher rates, using the amounts that are repaid. This method is said to be more equitable than grants, which involve taking money from the general taxpayers – with average or below average incomes – to subsidize students who, some researchers believe, may come from families with above average incomes.

Researchers who are against the use of loans as a means of financing students, such as Colclough (1990), see them as less efficient and less equitable because they have a tendency to discourage the participation of students from low socio-economic backgrounds and the participation of women. Other identified problems include the cost of administering a loan scheme, concern over the debt burden, and the problem of defaulting on payments.

Albrecht and Ziderman (1991) discuss some of the main features associated with administering loan schemes, including the fact that loans can target students who enrol in fields that meet the national employment priority, as done in Colombia. It is also possible to introduce means testing based on family income or sometimes more complex socio-economic indicators as in Chile, and eligibility can be limited to students who have financial need. In Norway, Sweden, and the Netherlands, a student's financial resources are assessed independently of the resources of the student's family, and it is felt that this helps to improve access for women (Woodhall, 1987). The loan amounts can also be varied based on the difference between the cost of the educational program and the resources available to the student, as is the case in Canada, Sweden, and Brazil.

Albrecht and Ziderman also identify six different ways of arranging repayment. First is the mortgage loan, where repayment is in equal monthly instalments based on the total loan amount, which currently operates in Canada. Second is an income-contingent loan, where repayment is a fixed percentage of annual or monthly income, as is the case in Sweden. Third is a variation of the income-contingent loan repayment, where the loan is collected through the tax system. An example is the Australian higher education contribution scheme implemented in 1989 whereby students are obliged to repay approximately 20 per cent of instructional cost through an income surtax of 2 per cent, 3 per cent, or 4 per cent of their income, provided they are earning more than the mean Australian income. The fourth method of repayment is the deferral of social benefits, where repayment is made through an existing payroll tax in which benefits do not accrue until the loan has been repaid, as in Ghana. Fifth is the graduate tax or equity finance system, where students contribute through a lifetime increase in their tax contribution, which has been proposed in the United States and in the United Kingdom. In the case of United Kingdom, the government has announced plans to move ahead with a graduate tax in 2007. The sixth is an employer contribution through a tax or loan. In this case, loan repayments are shared between employers and employees, as in Ghana, where the deferred benefits include both employer and employee contributions, as also practiced in China.

AFRICAN HIGHER EDUCATION SYSTEMS

Student enrolment indicates that African higher education system is still a relatively small sector of society in comparison to other parts of the world. In most parts of the developed world, enrolment is over 2,000 per 100,000 inhabitants, with the United States reporting the highest enrolment with 5,591 students per 100,000 inhabitants and Canada following closely with 5,102 students per 100,000 inhabitants. In developing countries the numbers are lower: Peru has 3,293; Cuba 2,285; Egypt 1,698 and Malaysia 679 students per 100,000 inhabitants, (UNESCO, 1993). Furthermore, as can be seen in Table 9.1, most countries in sub-Saharan Africa have figures that are far lower than anywhere else in the world. The table divides the countries into three groups: those with less than 100 students per 100,000 inhabitants; those with 100 to 300 students per 100,000 inhabitants; and those countries with more than 300 students per 100,000 inhabitants.

Among those with more than 300 students, Nigeria doubled its enrolment from 191 per 100,000 inhabitants in 1980 to 320 in 1990; Zimbabwe doubled its students from 117 per 100,000 inhabitants in 1980 to 496 students in 1990 (UNESCO, 1993). What is interesting to note is that, during that period, Nigeria and other countries like Kenya and Ghana introduced cost-sharing measures in order to finance expansion (see Table 9.6), which caused disruptions in the higher education system.

Table 9.1: Student Enrolment in Higher Education per 100,000 Inhabitants in sub-Saharan Africa, 1990.

	COUNTRY	ENROLMENT PER 100,000 INHABITANTS
Less than 100	Angola	71
	Burkina Faso	60
	Burundi	65
	Ethiopia	68
	Malawi	63
	Mozambique	16
	Niger	60
	Rwanda	50
	United Republic of Tanzania	21
100–300	Benin	235
	Botswana	299
	Cameroon	288
	Central African Republic	119
	Ghana	126
	Guinea	122
	Kenya	140
	Lesotho	263
	Liberia	218
	Senegal	253
	Sierra Leone	114
	Sudan	245
	Togo	226
	Uganda	100
	Zaire	176
	Zambia	189
More than 300	Nigeria	320
	Zimbabwe	496

Source: UNESCO (1993).

Table 9.2: Gross Enrolment Ratios[1] in Tertiary Education for sub-Saharan Africa 2002–2003.

COUNTRY	GROSS ENROLMENT RATIO
Angola	1
Botswana	5
Burkina Faso	1
Burundi	2
Cameroon	5
Congo	4
Eritrea	2
Ethiopia	2
Ghana	3
Kenya	3
Lesotho	3
Mali	2
Mauritania	4
Namibia	7
Niger	1
Nigeria	8
Rwanda	3
Sierra Leone	2
South Africa	15
Swaziland	5
Zimbabwe	4
Brazil	21
Malaysia	29
United Kingdom	64
Canada	58

Source: UNESCO (2005).

In the Global Education Digest (UNESCO, 2005), reports on enrolment ratios for the tertiary education sector were made. Table 9.2 further illustrates that, even in 2002–2003, the disparity in higher education enrolment between the developed and the developing world continued.

When considering student financing in Africa, it is important to note the proportion of female enrolment since females make up 40 per cent of the total enrolment. The proportions range from less than 30 per cent in Benin, Burkina Faso, Central African Republic, Congo, Ethiopia, Guinea, Malawi, Mali, Mauritania, Niger, Sierra Leone, and Togo, to a few countries with almost half of their enrolment being female. In 2002–2003, some of the countries with high proportions of females in tertiary education were Lesotho, which had 61.3 per cent female enrolment, South Africa, with 53.7 per cent, and Swaziland, with 54.4 per cent (UNESCO, 2005).

In many countries higher education is seen as the means by which individuals can improve their socio-economic status; therefore, policies that govern the financing of higher education should take into account the background of students in order to ensure that access is available to all who are academically able to pursue higher education. The literature on the distribution of educational opportunities suggests that, because of the increased social mobility related to higher education, everyone who qualifies to enter university should have an opportunity to attend, regardless of income or family background. Woodhall (1992) examined studies in Sweden and the United States that show that financial assistance for students enables those who would otherwise not be able to afford tuition and maintenance costs to attend higher education institutions. She points out that in Sweden, over 40 per cent of students from low-income families said they would not have attended higher education without financial aid, compared with 12 per cent of students from higher-income families.

In 1991 the author conducted a study of university students in Ghana, and examined the backgrounds of students from all levels of the socio-economic ladder and the level of education their parents had attained, as shown in Table 9.3. This analysis showed that parents with higher levels of education held better jobs and their children were more likely to seek out a university education when compared with students whose parents had little or no formal education.

Table 9.3: Percentage Distribution of Ghanaian Students by the Level of Education of their Parents.

LEVEL OF EDUCATION	FATHER	MOTHER
No education	18	29
Did not complete primary	4	10
Completed primary level	12	14
Did not complete secondary	2	4
Completed secondary level	15	11
Vocational/Technical/Teacher Training	16	22
University: Diploma	10	5
University: Graduate	12	2
University: Postgraduate	8	1
Not known	2	2
Total	99%	100%

Source: Aboagye (1996), p. 177.

The percentage distribution shown in Table 9.3 varied greatly when students were disaggregated by gender. While only 7 per cent of females had fathers with no education, the figure for males was 21 per cent. The difference was even much wider when fathers with only up to primary level education were considered. Just over 40 per cent of the male students' and 14 per cent of the female students' fathers had up to primary level education. While 60 per cent of mothers of male students and 30 per cent of mothers of female students had up to primary level education, 16 per cent of mothers of female students and 34 per cent of mothers of male students had no education. Just over 35 per cent of fathers of female students and 16 per cent of fathers of male students had first and second university degrees, while 6 per cent of mothers of female students and 2 per cent of mothers of male students had a similar education. These proportions of parents with no education or only up to primary level education indicate that a substantial proportion of the Ghanaian university student population are from low socio-economic backgrounds and are the first generation in their families to attend post-secondary education. The proportions are much larger for male students in Ghanaian universities than they are for female students. For these students it is important that funding policies take into consideration the availability or lack of resources to participate in post-secondary education. To have an accessible and equitable system of post-secondary education, governments in Africa will have to examine options that do not put barriers in the way of low-income families. Even for students from higher socio-economic backgrounds, it is doubtful that they would have the financial resources needed to pursue higher education.

In addition to possessing higher educational backgrounds, parents of female students also had high-status jobs; 50 per cent of the fathers of female students belonged to professional occupations or held administrative and managerial jobs compared with 28 per cent of the fathers of male students. Conversely, 26 per cent of parents of male students were in agriculture and forestry as compared to only 9 per cent of the parents of female students. The education and occupation of parents, taken together, give an indication of the socio-economic status of the students. The female student population in Ghana, which constitutes about 24 per cent of students in higher education, can be classified as a typical middle-class group. However, since they form only a small portion of total enrolment, one cannot call all students middle class. Male students tend to come from low-income families with parents who work in agriculture, forestry, transport, and labour and who have little or no education.

In Kenya, Mwira and Hughes (1992) reported studies of family backgrounds of university students carried out in 1958, 1968, 1975, and 1983 that showed that the system of higher education became more equitable as it expanded. The backgrounds of the graduates were compared, and it was found that recent graduates more closely resembled the socio-economic distribution of the Kenyan population than was the case for the earlier graduates who were from higher-income families. They also found that female university students were more likely to come from higher socio-economic backgrounds, indicating that participation of females from low socio-economic background had not changed much since the 1960s.

Table 9.4: Enrolment in Universities in Canada, 2001–2002.

	ITEM	ENROLMENT	PERCENTAGE FEMALE
Total Enrolment	Full-time	635,639	56.5
	Part-time	251,133	60.0
Undergraduate	Full-time	527,120	57.6
	Part-time	160,392	61.2
Graduate	Full-time	84,773	49.2
	Part-time	42,115	55.1

Source: Statistics Canada (2005).

CANADA'S HIGHER EDUCATION SYSTEM

Higher education in Canada is publicly financed. While the provincial governments are the main sources of funding, the federal government also provides funding to students enrolled in universities and colleges. The university sector in 2001–02 enrolled 635,639 full-time students and 251,133 part-time students, according to Statistics Canada, as shown in Table 9.4. Canada has achieved almost equal enrolment for both males and females, although differences can still be found when enrolment is examined per faculty. The most recent statistics show more women enrolled in universities than men. Overall, the lowest female enrolment is in full-time graduate studies, making up 49 per cent of the enrolment.

Tuition fees are charged in all Canadian institutions of higher education. There are student assistance programs in all provinces, usually in the form of a combination of loans and grants. The loans, which are interest-free until six months after graduation, are means tested and are given on the assumption of some parental support. Stager (1989) conducted a study of tuition fee policies in Ontario to determine whether an increase in fees would be an efficient and equitable way of compensating for cutbacks in university funding.

Table 9.5: University Undergraduate Expenses in Ontario, 1988–89.

ITEM	AVERAGE ($) EXPENDITURE	% OF TOTAL
Tuition Fees (Arts & Science)	1,411	22.1
Other Fees (Books & Supplies)	532	8.3
Transportation	597	9.4
Food and Housing	3,843	60.2
Total	6,383	100.0

Source: Stager (1989), p. 37.

His study concludes by discussing policy with regard to tuition and student aid after thoroughly tracing trends in tuition fees, cost of instruction, family income, and student aid. He looked at private and social returns to investment in education and at the factors affecting access to education.

Stager's study provides an in-depth analysis of the changes that have occurred in tuition fees in Ontario universities and relates these changes to the total costs students have to bear. In 1988–89, fees for general arts and science and journalism in Ontario formed 27 per cent of the program cost; the fees for honours arts, commerce, and law covered 20 per cent of program cost; and the fees for more costly programs such as science, pharmacy, engineering, and architecture covered between 15 and 16 per cent of the program cost. The fees for medicine and dentistry represented less than 9 per cent of the program cost. Stager draws attention to the possibility of increasing tuition fees and also of making students in the more expensive programs pay a higher proportion of costs, mainly based on the assumption that a middle-class parent group is able and willing to pay for the cost of higher education.

In terms of other costs that students bear, Stager stated that students in Ontario are responsible for their boarding, lodging, books, educational supplies, and fees other than tuition. He noted that so far tuition fees do not represent the biggest expense that students have to cover. Table 9.5 itemizes undergraduate expenses in the 1988–89 academic year.

According to Stager, full-time undergraduate students in Ontario covered 50 per cent of the cost of their education through income that they earned during the summer and from part-time work during the academic year. Contributions from families, government grants, and other non-repayable awards were responsible for a further 25 per cent of the costs, while loans constituted the remaining 25 per cent. Of the loan component, three-quarters were from student loan plans, while the remaining were from parents and relatives.

The Ontario Student Assistance Program (OSAP) has a grant and a loan component in which eligibility is based on needs assessment and family income. Stager points out that only 19 per cent of full-time students received a grant. By his calculation, therefore, increasing fees would be an efficient method of raising more money from private sources. This is because the grant section of the program, which represents a small percentage, would cater to the low-income students. The loan section would ensure that students who could afford it would pay for their education. He noted that the concern over the indebtedness of students should not be a problem since the debt students were incurring was well within their means to repay once they became employed. It is important to note, however, that since the study used data from 1987–88, the situation might be entirely different in the 1990s and the present. In fact the employment prospects and the general economic indicators show that recent graduates are having a difficult time finding appropriate jobs which may cause defaults or difficulties in repaying loans.

We have had at least a decade of experiences with different ways of financing students; therefore, it is necessary to examine whether there has been an increase in the amount of time students spend working part-time during the school year. In countries like Ghana, Kenya, and Tanzania, which have had loan schemes in place since the early to mid-1990s, there may be opportunity to assess what impact the loan policy has had on the student population. While there exists the assumption that a mainly middle-class parent population will be willing to absorb the increases, this policy may be forcing students to spend more time on earning an income and less time on academic pursuits. In Canada, it will also be of interest to examine whether increased cost sharing may be forcing students from low-income families to apply to programs that are less expensive and therefore forcing such students to seek admission into colleges rather than universities in places like Ontario. The issue of how cost sharing is affecting low-income students is particularly important when discussing student financing in Africa because higher education tends to be the only avenue for social mobility for most students from low-income families; they, will not be able to participate in higher education without financial support.

CURRENT ISSUES IN HIGHER EDUCATION FINANCING IN AFRICA

In the current international economic order, the interests of international agencies are not always in line with egalitarianism. Most governments have to borrow from these agencies to finance their education systems, which they subsidize and for which they are having difficulties securing funds. Governments, therefore, are forced to make trade-offs in equity issues, in order to finance education. The questions to ask in this situation are: Should the meritocratic view of higher education be the prevailing influence on higher education policies? Should equity concerns override government need to reduce public spending? Given the level of population growth in developing countries and the inequities in societies everywhere, one would expect that the concern of governments would be to provide a higher education system that provides access to groups that cannot afford to attend university.

A discussion of the financing of higher education in Africa necessitated an examination of the role of international lending agencies in determining educational policies. In the early 1990s African economies went through serious changes in the education and economic sectors. Most of these changes were results of program initiatives undertaken to address the demands of the World Bank and the International Monetary Fund for structural changes under the Structural Adjustment Programs. To begin, the World Bank made recommendations for the adjustment of each level of the education sector. For instance, for the higher education level, the World Bank recommended that African countries should, in the short term, aim to improve quality, increase efficiency, and expand output in areas of strategic importance to countries. In addition, these countries were to aim to relieve the burden on public sources of financing university education and increase the participation of beneficiaries and their families. As a result of these demands, African countries such as Ghana, Kenya, and Nigeria made significant changes in the funding of education, including the gradual introduction of user fees in tuition, boarding, and lodging. In most of these countries, loan schemes were introduced as well to assist students in covering those costs. The impact was that, for the first time in most sub-Saharan African countries, there was an expectation that students would cover part of their cost of education.

Important considerations in African governments' decisions on student financing were a combination of student activism, the political clout of the middle class, and general political instability. Student activism has been evident on campuses across the continent whenever attempts are made to withdraw some of the social benefits that students enjoy. For example, in 1988, the Kenyan government was forced to abandon plans to abolish allowances because of protests from students. Similarly, protests were organized in Ghana and Nigeria, which led the governments to abandon attempts at changing student-financing policies. Dozens of students were killed in Nigeria while protesting against structural adjustment programs, and many hundreds were arrested in 1990 for protesting the conditions set for a World Bank loan to rationalize Nigerian universities (Committee for Academic Freedom in Africa, 1994, p. 59). In Ghana, although government commissions keep asking for drastic changes to the way students are financed, hardly any action has been taken because of the lack of support from the civil and public sectors and also because governments in situations of instability are unwilling to take risks. In a military takeover in 1972, for example, the introduction of student loans to replace grants was cited as justification for a coup.

STUDENT FINANCING POLICIES IN AFRICA

Most countries in Africa have free tuition at the higher education level. Maintenance costs, which include the cost of boarding and

Table 9.6: Cost-Sharing in Canada and sub-Saharan Africa.

COUNTRY	COST-SHARING POLICIES	STUDENT LOAN POLICIES AND PROGRAMS
Canada*	Tuition, accommodation, and living costs paid by students.	Federal and provincial student loans, grants, tax credits, and savings plan.
Botswana	Limited cost-sharing measures introduced in 2002–2003.	No student loan program in place as of 2003.
Burkina Faso	Introduced modest fees in 1990.	Loan with means testing.
Ethiopia	Tuition, lodging and food covered for regular but not evening and summer students.	Government considering (as of 2003) a loan program modelled after the income-contingent loan plan in Australia.
Ghana	Cost-sharing limited to small fees and user fees for lodging and food; no tuition fees.	Loan scheme linked to the Social Security Insurance implemented in 1988.
Kenya	Tuition and user fees for lodging and food introduced in 1992 but tuition fee rolled back. Parallel tuition begun in 1998 especially at University of Nairobi.	A loan program re-introduced in 1995.
Mozambique	Cost-sharing in place, including tuition fees.	No student loan scheme in place as of 2003.
Nigeria	Nominal fees for lodging and food and tuition at state not federal institutions.	In the process of re-introducing a student loan scheme.

Tanzania	Gradual cost-sharing officially begun in 1992.	Loan scheme introduced in 1993–94 as part of cost-sharing to cover part of lodging and food costs.
Uganda	Makerere University has dual-track tuition with more than 75% of students paying fees.	No student loan scheme in place as of 2003.
South Africa	Has a tradition of tuition fees.	Has means-tested income contingent loan scheme.

Source: Johnstone (2003). * Rae Report (2005), p. 18.

lodging, transportation, and other miscellaneous costs for students, are covered by scholarships, grants, and loans, or a combination of these options. The state of student financing on the continent as summarized by Johnstone in 2003 is shown in Table 9.6. In his presentation to the conference on "Improving Tertiary Education in Sub-Saharan Africa," Johnstone (2003) provided an updated summary of some of the cost-sharing policies that are in place on the continent. The table is from his presentation.

According to Saint (1992), most African countries were contemplating some form of student tuition fees. For instance, in 1991, the Kenyan government introduced tuition in universities, together with full recovery charges for student accommodation and meals and a student loan to cover those costs. Due to high default rates and other concerns, the scheme was re-organized and re-introduced in 1995. Since 1998, according to Johnstone, the University of Nairobi has been operating a dual-track or parallel program, where some students pay tuition. Since 1970, Ghana has, at various points in the discussion of the reform process, considered the introduction of tuition fees but has yet to introduce any reform to its tuition fee practices.

Zambia attempted, in the mid-1980s, to reform some of its methods used for financing students. In 1989, the government introduced cost-sharing in higher education and the students were expected to pay a small fee towards the cost of their education. In Botswana, students in the university are eligible for government scholarships, based solely on merit. In 1990, about 80 per cent of the students received scholarships, while the remaining 20 per cent were either sponsored by employers or by family or were foreign students sponsored by their governments (Marope, 1992). The scholarships cover room and board, food, books, supplies, and a subsistence allowance. Upon graduation, students have to work for the government for the number of years they received the scholarship plus an additional year. During the period of service, graduates have to contribute 5 per cent of their annual salary to the scholarship fund.

In sub-Saharan Africa, Kenya took the lead in the introduction of degree-granting private institutions. By the end of the 1980s, there were four public and eleven private universities in Kenya. The public institutions recruit the best academically qualified students and staff available, while the private institutions base their recruitment on other criteria, including ability to pay and religious commitment (Mwira and Hughes, 1992). While the central government in Kenya provides support for the university system, the public university sector receives the highest financial support from the state, a factor that has helped promote some form of equity so that those unable to pay for tuition are not excluded from the system. In 1987–88, allowances for university students accounted for 20 per cent of the allocation to higher education, and the loan scheme suffered a default rate of about 90 per cent. In 1992 Mwira and Hughes reported that both the student allowances and the student loans scheme had been earmarked for change and that plans had been made to reduce costs by admitting more day students, streamlining the operation of housing and dining facilities, and also abolishing allowances. According to William Saint (2004), Ethiopia is currently expanding its higher education system and is looking at new ways of funding it, including introducing a graduate tax, and, as Johnstone (2003) reports, a loan scheme modelled after the Australian income-contingent loan scheme is also being considered. In other countries like Uganda, Zimbabwe, Rwanda, and Kenya, universities have responded to the challenges of financing by offering parallel systems for fee-paying students, where some university spaces are set aside for students who are able to pay for their education.

In Senegal, there is a scholarship scheme, which makes higher education tuition free at the universities (Eisemon and Salmi, 1993). Scholarships are awarded based on merit from the results of the secondary school examination. For example, in 1989–90, 78 per cent of the secondary school students who were accepted into universities received a full or partial scholarship. Residences and meal facilities were subsidized, and students were required to pay only a small fee for room and board.

In my 1994 study of student financing in universities in Ghana, I examined students' sources of income. That is, the study asked questions about the sources of income that students had and of the amount of financial support they received from sources other than the government in each academic year. The results of the study indicated that 54 per cent of the students relied solely on their parents for financial support. Responses to a further question, inquiring how parents were able to make the financial commitment, revealed that only 7.8 per cent of families took loans to support their children. This was not surprising since my knowledge of Ghanaian communities is that distant and close relatives, such as aunts, uncles, and siblings, all play a major role in the financing of the education of children. Instead of borrowing from financial institutions, households ask for contribution from other members of the extended families. The families that borrow do so at a high interest in order to support their children in universities.

NEW AND ALTERNATIVE APPROACHES TO FINANCING HIGHER EDUCATION

The financing of higher education in developing countries has been made more urgent by the current economic difficulties and the inability of governments to cover all the costs in the face of social pressure to increase access. It is interesting to note that since the 1980s when African governments, academics, and multilateral and bilateral agencies started looking closely at the financing of university students in sub-Saharan Africa, the discussions have not changed much and the issues continue to be the same. Koso-Thomas (1992, p. 122) summarizes all earlier recommendations made for funding higher education in sub-Saharan Africa, Canada, and other parts of the world. They include the following:

1. Introducing tuition and other fees where there are currently none being charged and increasing them where they exist but are unrelated to real cost. This recommendation is usually made in African countries where tuition fees are virtually non-existent. The issue that is often ignored is whether African parents can afford to pay tuition fees for their children to attend higher education. There is the need therefore to critically examine the financial capacity of the average African parent to bear such a responsibility.
2. Encouraging the establishment of privately owned and financed higher education. This is increasingly more popular and could serve as a means to draw some of the excess demand for higher education from the public sector. However, most African countries do not have entrepreneurs with access to the level of capital that would be needed to run private higher education institutions. In Canada, while this proposal is viable, it is a move from a social philosophy that had been part of the country for a long time.
3. Introducing a credit system for students with repayment either in cash or in kind. Here the issue of loans as an appropriate way of funding students comes into question. Already in Canada there is discussion of whether the debt burden on students is too high.
4. Introducing a taxation system specially affecting beneficiaries of the higher education system, both graduates and graduate employers. This recommendation tends to address the equity issue in the financing of higher education students. It is important to keep in mind concerns that are expressed that this could aggravate the outward migration of educated workers, especially from developing countries where they are already underpaid.
5. Soliciting regulated and regular aid from bilateral and multilateral agencies tied exclusively to higher education objectives, particularly relevant research, and special regional courses. Governments have to be careful here that the research agenda in their countries is not unduly influenced by external forces.
6. Mobilizing new non-government resources and economic use of available resources.
7. Reducing funding on certain oversubscribed humanities course options to release funds for other more development-oriented programs.

8. Increasing the contribution from industry, particularly in the financing of research and development activities.
9. Launching special projects for the production of textbooks and development activities.
10. Joint regional funding of specialized research centres in Africa.
11. Sharing resources within and across country institutions.
12. Providing externally funded scholarship and fellowship programs tenable in higher education establishments in Africa.
13. Mobilizing resources from the more affluent African states for mutually beneficial programs located in the least-developed countries.
14. Increasing assistance from United Nations Development Program (UNDP) and other international bodies to developing countries to aid higher educational development.
15. Setting up fund-raising organs for direct appeal to local and international sympathizers for endowment and other ad hoc relief schemes.

The above recommendations are not much different from those made by Johnstone a decade later. In his summary to the conference on tertiary education in Africa, Johnstone (2003, p. 11) made some conclusions regarding tuition and student loans that brought to the fore the persistent issues in Africa. These conclusions provide a context of where Africa is, where it needs to go, the challenges involved, and the options available for confronting these challenges; therefore, they are listed below.

1. Sub-Saharan African universities and other tertiary level institutions need to supplement their limited governmental, or taxpayer, revenues with revenues from parents and students. These revenues should take the form both of user charges for governmentally or institutionally provided lodging and food and of tuition fees to cover a portion (say, one quarter) of institutional costs of instruction.
2. Given the inevitable political resistance to cost-sharing, a multi-year progression of stages should be presented, with further shifts of costs onto parents and students clearly supplemental to governmental funding, and tied

as much as possible to: a) improvements in the quality of higher education, b) expansion of opportunities and enrolments, and c) extension of participation and accessibility to hitherto under-served populations.

3. The imposition of a tuition fee should be accompanied by a program of means-tested grants, drawing on clearly identifiable and verifiable characteristics (i.e., proxies for income) such as parental occupation and education levels, prior schooling, and type of housing.
4. A student loan program should be designed to collect (according to the present value of the reasonably expected repayments discounted at the government's borrowing rate) something reasonably close to the amounts lent – less losses from defaults and other purposefully designed subsidies or repayment forgiveness features.
5. An income-contingent repayment mode should not be employed unless incomes can be reasonably verified. If income-contingent is politically necessary, it should not be the "default" repayment obligation but rather an optional means of payment that requires the borrower to demonstrate that he or she can discharge the repayments by paying a percentage of earnings from a single employer that represents the dominant earnings stream.
6. Mechanisms need to be added to the repayment process, especially if the repayment mode is a conventional, fixed-schedule mode, to accommodate borrowers whose earnings are low, either temporarily or permanently. In short, a conventional loan needs the same kind of genuine low-earnings protection that is presumed to follow by definition from an income-contingent form of repayment obligation.

Finding alternative but efficient and equitable ways of financing higher education in Africa is a problem that most African countries recognize. It is interesting to see that, while developed countries like Australia, Canada (Ontario), and the United Kingdom consider forms of income-contingent loans as a way of making their systems more equitable, Johnstone does not see it as a viable alternative for African countries. While there is a definite need to ensure that adequate collection structures are put in place in countries in sub-Saharan Africa, an income-contingent loan scheme continues to be the one option that reduces the financial burden of higher education for students and should be given serious consideration by African countries.

Under a different kind of pressure, the Ontario government's fiscal priority to reduce public expenditures in the 1990s increased the need to review the amount or level of funding that students receive from the government. The idea of encouraging the establishment of privately owned and financed institutions was one of the options that the Ontario Conservative government favoured. It is interesting to note that similar to the recommendations of Colclough (1990) for African countries, the Rae Report (2005) recommended that the Government of Ontario examine the possibility of a graduate tax as a way of financing students in Ontario. Already the Liberal government has moved towards providing more financial support for both students and post-secondary institutions.

It is important to recognize that the higher education system in Africa must expand in order to provide the skilled human resources the continent needs and to provide opportunities for social mobility within African societies. In the current economic situation, governments in Africa find it very difficult to provide ongoing financial support that the education system requires in order to operate and expand. In considering the options that have been recommended, it is important to keep in mind the social functions higher education institutions play and the importance of making them accessible to a broader cross-section of the African population. This can be done by ensuring that whatever policy is in place recognizes that the majority of African students may not have the capability of paying for their education. The level at which parents are willing to support their children financially also differs by gender and therefore has accessibility implications for low-income and female students.

A funding option that needs to be seriously considered is the introduction of payroll taxes, as suggested by Colclough (1990). Using data from Botswana, a country where overall demand for university and other tertiary-education graduates exceeds overall supply, Colclough (1990) found that the salaries of graduates tend to be higher compared with those of non-graduate workers. In such circumstances, which clearly exist in most African states, it is his view that introducing a graduate tax instead of relying on loans would be a more efficient and equitable way of financing students. He argues that a graduate tax would be more desirable because in a situation of excess demand it would help shape the structure of the demand for workers and not necessarily affect the level of employment. In addition, a graduate tax does not have equity problems that loans encounter nor does it discourage students from low-income families from pursuing higher education. Using estimates from a 10 per cent graduate tax on the 1986 graduate earnings in Botswana, he shows that graduate taxes have the capability of generating more revenue than a loan scheme.

Similarly, students in Canada are experiencing the impact of government reforms on their access to higher education. This is particularly so for students from low socio-economic backgrounds. Overall, in Canada, there is the need to examine closely the debt burden of graduates and the length of time it takes graduates to obtain a job in their fields. The average salaries of graduates in relation to their debt are important indicators of the financial situation of graduates. In addition, it is important to monitor the portion of time students spend at part-time jobs and the overall effect this has on the quality of the educational process.

CONCLUSION

This chapter has reviewed the current trends and the demands that are changing the mode of student financing in higher education systems. It has examined the conflict between the diminishing availability of funding for institutions and the need for accessibility in Canada and Africa. The chapter also discussed research on alternative means of funding students. There is a need both within African countries and in Canada for governments to take a comprehensive look at student finance in higher education in conjunction with a real commitment to equity and accessibility.

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Notes

1 Gross enrolment ratio is the number of students in a given level of education expressed as a percentage of the population in the theoretical age group for the same level of education. For the tertiary level, the population used is the five-year age group following on from the secondary school exit age.