

GEIFON's Inaugural Public Lecture

Presented by

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On the occasion of the

INAUGURATION &

1ST PUBLIC LECTURE OF GEIFON

**Topic: Funding opportunities for Higher
Education in Africa**

University of Benin, Benin City, Nigeria

27 April 2006

I) The role and mission for Universities in Africa

There is general consensus that there are three major roles for universities in developing countries :

- Producing high level manpower which constitutes the source of the personnel for scientific, technical, managerial and teaching jobs, and the future leadership of the country:
- Carrying out research to generate knowledge and innovation that is primarily relevant to the country's development;
- Providing advisory services to assist national development

This is why higher education is generally accepted as being crucial for economic development and supported by governments for funding. However, the 1980's saw many economies operating under severe resource constraints which put governments and institutions in the difficulty of finding the right and sustainable answers to solve the dilemma of how to preserve and improve quality in higher education with diminishing financial resources from traditional sources and rapidly increasing number of students. This is one of the major causes of the crisis affecting higher education in Africa which manifests itself in several ways:

II) The current situation

- Universities are underfunded in relation to their student populations and current methods of operation. State expenditure per student is declining, but enrollments are increasing rapidly, largely due to the pressure coming from the increasing number of students from primary and secondary schools. During the

1980's, expenditure on higher education in Africa fell from 0.7% to 0.5% of the GNP. An additional difficulty is caused by the fact that a very high proportion of higher education funding in many African countries is spent, not on tuition, but on student welfare, housing and food.

- In many African universities, academic staffing has been undermined by large outflows of staff to other sectors of the economy or to other countries or continents. Due to deteriorating salaries, inadequate housing and declining standards of living, most of academic staff attempt to carry on two or three jobs at a time, handicapping the quality of their teaching and research activities. The loss and declining proportion of senior staff namely at full professor level is a real concern.

- Infrastructure are deteriorating. In most universities, there is a considerable evidence of overcrowding, a lack of maintenance and declining resources available for acquisition of books, journals and equipment. A survey of 31 African universities revealed that the average number of universities library books per students had fallen from 49 in 1980 to 7 in 1990.

- African universities are characterised by considerable internal inefficiencies manifested in sectors such as:

- the staff students ratios;
- bloated complements of non academic staff;
- high student drop-out and repeat rates;
- low graduation rates;
- high non education expenditures in residences, catering, medical and municipal services.

In 1991, the average ratio of non-academic staff to student was 1:3 and academic staff to students 1:12.

- Most African countries currently experience significant graduate unemployment, largely as a result of economies showing little growth and therefore no increase in the demand for skilled labour. There is also the declining role of the public service as a major employer of university graduates. In most countries, there is also a significant imbalance between students undertaking programmes in the humanities and social sciences as opposed to engineering and the pure sciences.
- Over the past decades, researchers output in most developing countries has declined, as the depressed economic climate does not promote research at the national level.
- In most African countries students are predominantly from well-off families, with students from poor sectors of the population being significantly under represented. Females are very under-represented both within the student body and the academic staff.

This crisis occurs, in almost all countries where the state is overwhelmingly the major, if not the sole source of university funding. Around 80 to 95% of the annual budget is provided by the State.

III) In front of such a situation how to stop sinking deeper into crisis and build African universities on a solid base to face the challenges of the 21st century:

The bleak economic outlook and the misplacement of priorities in many countries of the continent are unlikely to allow public financing for higher education to increase significantly in the foreseeable future.

However, it is essential to keep in mind the strong consensus achieved at the 1998 World Conference on Higher Education that a higher education should be considered a public good, and that public support for higher education and research should remain a key priority.

It is therefore also the responsibility of democratically elected governments to ensure the means of efficient functioning of higher education institutions. In so doing, it is essential that the supply of higher education be based on equality. This means that everybody must have the right to education without any kind of discrimination, in line with the Universal Declaration on the Human Rights and the Declaration adopted in 1998 by the World Conference on Higher Education.

Moreover, it must be continuous, permanent and reactive, evolving upon general interest changes, both technological and/ or social.

However, the emerging consensus, both from within Africa and elsewhere in the Developing World seems to be that there are four broad areas of reform that can achieve the desired results without massively increased public funds.

- The development of variety amongst institutions within the higher education sector, including establishment of private institutions;
- Encouraging public institutions to diversify their sources of funding, including cost recovery or sharing with students;

- Redefining the role of government in higher education and linking State expenditure to performance measures;
- Establishing policies that give priority to quality and greater equity.

Develop variety in Higher Education Institutions

Non-University Institutions including polytechnics, short course technical institutions, Community Colleges, distance education colleges, adult education colleges present some advantages:

- They tend to be cheaper to finance, running shorter courses, with lower per student costs and lower dropout rates. In Ghana for instance, per student costs at non-university institutions such as diploma awarding colleges are only 40 percent of the average per student costs at the Ghanaian Universities.
- They appear to be able to adapt more flexibly to market demands, and to produce graduates who are in greater demand within the economy than university graduates.
- They can help improve the access of minority groups and women to higher education.

There are, however a number of risks in the development of such non-university institutions:

- They tend to be seen as second-rate and sometimes become “academic parking lots” for excess students.
- They can be diverted from their original mission and be upgraded to full-fledged universities without meeting the original academic conditions.
- They are not part of research activities;

Private Universities

Many can offer a real alternative and form an important component of higher education system. Private universities offer the following advantages.

- They can increase the provision of university education and expand higher education enrollment at no extra public cost, particularly in countries where admission to public universities is extremely competitive.
- They can respond more flexibly to the markets and demands for specialist skills and increase the diversity of programmes available.
- They can complement government institutions so that the overall higher education system achieves the objectives required of the university system.

But the following inconveniences can be mentioned

Private institutions show a greater variation in quality than the public institutions. Their programmes tend to be concentrated on narrow areas (such as business and accounting), because the cost of development of disciplines such as medical science and engineering is high. In many countries, private institutions held by religious institutions have better quality. While public universities continue to be highly subsidized by the State, access to private institutions is more expensive and difficult for poorer students.

Diversifying the funding of the Public institutes

It is very significant that diversification of sources of funding was one of the recommendations of the World Conference on higher Education. This can be achieved in several ways:

Donation and grants

Many universities receive a proportion of their funding through donations and grants from business, alumni and international donors. However, some experience has shown that reliance on donors may not always guarantee sustainability of funding. This situation is further complicated by the fact that many donors shy away from supporting programmes that are not likely to become self-sustainable.

Only a few South African Universities have successfully developed strategies to secure funding from the private sector and alumni in a significant way. Progress in this area will require universities to:

- Establish foundations and development office to raise funding in a more professional manner;
- Develop alumni associations for long term financial benefit to the university;
- Provide a tangible service in return in order to justify the continued support of the private sector.

Income generating activities

Universities can undertake a large range of income generating activities, primarily through their facilities and expertise : the possibilities include:

- Continuing Professional Education and vocational courses: there is a strong demand in the private sector, for courses that update practicing professionals. The expertise available in universities is ideal for such training.

In addition, universities have classrooms and other facilities that are available particularly in the evenings, during weekends and holidays. This is an extremely valuable and effective way for universities to interact with and serve their communities whilst generating some income.

Research Contracts:

Universities could also be useful companions to external organizations by providing their expertise to questions of particular interest. Research at the request of such external organizations, paid for by them, could also be a source of generating funds and useful synergy between higher education institutions and the private sector. Some African Universities have strong comparative advantage in contract research by being relatively endowed in terms of equipment and a unique national reservoir of expertise. Unfortunately, contract research is still underdeveloped in African Universities.

Consulting

Consultancy services by universities for the private sector and international organizations is seen as the quickest and potentially successful way to generate significant funding for universities. However, although in most African universities, many members of the academic staff are relatively engaged in consultancy, they do so for their own benefit and often at extra costs to the university through lost time and free use of university facilities.

To improve upon this, it will be necessary to organize an efficient and effective service, to have a better control of consultancy activities to the advantage of both the academic staff and the university institutions.

Sometimes, as salaries are not very high, the personal benefit to the staff member could constitute a positive factor for attracting people and retaining them in an academic carrier. Consultancy offers a good opportunity for improved and close contact, better communication and understanding between the University and industry. The university becomes more relevant and is seen as a positive element and ally.

The commonly expressed anxiety about universities pursuing income generation activities is the fear that they may lose sight of their primary objectives of teaching and research, with the likely deterioration in the quality of output of the university. However experience in industrialized countries indicates that very often the opposite occurs. Business universities and academic excellence are getting on well and have proved the usefulness of a healthy cooperation.

Cost sharing with students

It is often suggested that perhaps the best long term means of generating significant non-government funding is through cost sharing with students. However, many institutions in Africa do not charge even a nominal tuition fee. Some charge fees for accommodation and catering, however these fees are heavily subsidized and by no means approach the full cost of providing them. In spite of this, they are still often beyond the means of most of the students.

Although In many countries some consideration is now being given to genuine cost sharing through the levelling of tuition and residence fees, it is clear that cost sharing cannot be equitably implemented without an effective student support system whereby government, the private sector and donors together

with families and communities provide needy students with financial support for their education.

A revised role for governments : Policies and structure

In most African countries a national system of higher education as distinct from one single university has emerged. Governments must therefore develop policies that provide linkages between universities and between universities and the primary and secondary education sectors, in order to avoid fragmentation, provision must be made for well defined legal regulatory framework and for linkages to national environments and policies concerning national science and technology investment. Governments have to enable universities to operate autonomously, with the ability to generate and retain income, cooperate with the private sector, be competitive, efficient and able to deploy their resources as they consider most effective.

Funding formula

A number of governments are examining mechanisms for linking the provision of funding with various performance criteria, thereby creating incentives for universities to use resources efficiently. Two basic mechanisms can be encouraged:

- Input based funding whereby funding is allocated to institutions on the basis of estimates of the cost of educational input. This system provides for greater university autonomy and allocates block funding to cost centers on the basis of responsibility for specific programmes. The most flexible of the input based system provides for university budgets to be calculated on the basis of a formula that combines enrolments figures and unit costs and uses various

weighting systems to provide incentives for the internal distribution of resources.

- The output based system allocates funding to universities in accordance with their productivity. The financing of institutions is based on the effectiveness in producing graduates. Whilst such schemes can help to reduce students failure and repetition, they tend to emphasize more production of graduates rather than the quality of the training provided.

The overall objective of any type of funding formula is that it must be transparent and encourage flexibility in the management that universities need to make in order to remain effective and credible institutions whilst taking into account the variation in costing among different institutions. This is the most effective means of increasing autonomy of universities and improving their accountability and efficiency.

Students should be encouraged to compete for support as funding would be closely targeted at needy and able students, with poorer students receiving more generous attention than richer students.

Management

University management has to become more professional with better and well trained personnel. Universities should operate much as a business and require all the skills which successful business use. Vice-Chancellors have to become much more management oriented in order to provide vision, leadership and more interaction with policy makers and potential sources of funding.

The overall objective of improving the funding of higher education is to achieve a situation where the quality in the broadest sense is improved, the responsiveness to the needs of the countries strengthened and greater equity in terms of admission and staffing policies achieved. All the reforms will only succeed if the result is the improvement of the quality of training, research and advisory services to the benefit of national development. Finally, in order to ensure efficacy of these measures, that is, to know whether they are leading to improvement of quality, universities must set up effective evaluation mechanisms both in terms of internal performance and the quality of output.

IV) Conclusion

These are some suggestions to feed discussion at national and international levels to the benefit of a healthy Higher Education in Africa. I sincerely hope Nigerian academics and university managers will remain at the forefront in our common effort to build better Higher Education for a better Africa and a strong, progressive and successful Nigeria.

Thank you.